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SAN FRANCISCO AIRPORT COMMISSION

MINUTES

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June 6, 2000
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ROOM 400 - CITY HALL
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CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

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President
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Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Minutes of the Airport Commission Meeting of
June 6, 2000

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AIRPORT COMMISSION MEETING MINUTES

June 6, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Henry E. Berman, President
Hon. Larry Mazzola, Vice President
Hon. Michael S. Strunsky
Hon. Linda S. Crayton
Hon. Caryl Ito

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 16, 2000 were adopted unanimously.

No. 00-0193

* * *

D. DIRECTOR'S REPORT:

1. Status Report on Hiring from July 1, 1999 - April 30, 2000

Mr. John Costas, Acting Director said that we are pleased to report that as of April 30, 2000, the Airport's Human Resources Department exceeded the Airport's goals for FY 1999/00 in its hiring plan, not only in the number of hirees, but in the location and ethnic diversity.

Ms. Theresa Lee, Deputy Director, Administration said that over the past two and a half years the Airport Human Resources Department, along with the City's Human Resources Department has worked diligently with our Managers to fill close to 800 positions. HR completed all critical hires by the agreed upon hiring dates.

The report before the Commission represents current year-to-date activities. Out of the projected 685 hires, 659 were accomplished as of April 30. Forty-one percent represent San Francisco residents, 33% reside in San Mateo County, and 26% reside in other counties.

Seventy percent of all hires to date have been minorities, and 43% have been women.

Recruitment outreach efforts with local communities continues. Our most recent effort was the Job Fair held at the Cow Palace on April 15. Over 7,000 prospective applicants for both Commission and tenant employment opportunities attended.

Commissioner Crayton congratulated Ms. Lee on the Job Fair's success and on her outreach efforts. She noted that a number of areas targeted for employment send a lot of potential hires, however, they don't get hired and they don't hear anything. She asked if there was a disconnect somewhere.

Ms. Lee responded that staff is putting together a report regarding the number of applicants applying for positions, the number who fail to meet the stated qualifications and those who are hired. That information can be provided by ethnic breakdown.

Commissioner Ito asked what percentage of minority hires are in entry level positions and are there are advancement opportunities.

Ms. Lee responded that the report can include the classifications. She explained that the Airport's philosophy is staff development. We are close to 20% in internal promotions.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mazzola asked for a briefing on the June 2, 2000 incident.

Mr. Jackson Wong, Chief Operating Officer explained that the lower roadway closes until 10:00 or 11:00 AM every morning so that work can continue on the AirTrain stations on top of the central garage. Work was scheduled to conclude for the day when a forklift hit a beam causing it to slide out and drop to the lower level, hitting one of the pre-cast guardrails of the garage.

The upper level roadways were closed when emergency personnel noticed three smaller beams that appeared to be unsupported.

The roadways re-opened as soon as the contractor was able to place metal cable around the beams to support them. This was approximately an hour and a half after the incident occurred.

Traffic was kept moving.

Commissioner Mazzola commended Mr. Wong for a job well done.

* * *

F. POLICY:

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Advertising Standards Policy

No. 00-0194 — Resolution approving the proposed Airport Advertising Standards Policy, which places limitations on advertising messages allowable under the Airport's Advertising Policy.

Mr. Bob Rhoades, Deputy Director, Business said that the Commission amended its Advertising Policy earlier this year by adopting Resolution No. 00-0035, allowing the Airport to pursue revenue opportunities associated with commercial advertising in specific areas of the terminal complex. This resolution establishes the Airport's Advertising Standards Policy by setting forth internal controls on advertising that will be permitted in the Airport. These controls will enable the Airport to determine the types of messages that are appropriate and those that are not ... such as all political and religious advertising, or advertising in competition with the business interests of the Airport.

The City Attorney's Office has researched this issue and concluded that the Airport can adopt controls on specific types of advertising so long as the controls are reasonable and do not have the appearance of discrimination based on the view of the speaker or the content of the particular message.

The proposed advertising restrictions are permissible so long as they are not viewpoint based, too broad, or so vague that it would be difficult to effectively enforce them.

Commissioner Ito asked Ms. Mara Rosales, Airport General Counsel about a phrase contained in the policy ... Point No. 4 which says "...contains material that is offensive to the ordinary person." That implies a community standard of who an ordinary person is.

Ms. Rosales responded that it is a term of art.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

3. Modification No. 11 to Contract No. 5510E - Boarding Area A General Construction - Hensel Phelps Construction Company - $4,205,000

No. 00-0195 — Resolution approving Modification No. 11 to Contract No. 5510E, Boarding Area A General Construction with Hensel Phelps Construction Co., in the amount of $4,205,000, for work related to the build-out of the VIP escalator lobby and the declined baggage claim areas in the new International Terminal. Funding source is Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that the proposed contract modification covers the added scope associated with the buildout of the VIP escalator lobby in the International Terminal's South Shoulder Building and the complete buildout of the declined baggage claim areas on the second floor of the new International Terminal. These are airline initiated changes.

The modifications have been reviewed and approved by the Master Plan Technical Advisory Board and the costs have been included in our forecasts presented in the quarterly reports.

The base contract's 12.3% MBE and 2.2% WBE participation goals remain unchanged. The contract's performance through this modification will be at the 12.5% MBE and 2.5% WBE participation levels, slightly higher than the established goals.

Commissioner Strunsky asked if this contract is substantially complete.

Mr. Kardos responded that it is. It will take somewhere between three and five modifications to maintain the cash flow and take care of these modifications that are outside the contract's basic scope. We will probably close out the contract by the end of the year.

Commissioner Strunsky noted that it is very hard for the Commission to understand where the budget is going on this. We have a job that is basically complete, their retention is being reduced, yet we are still bumping up the contract value every two or three weeks. He is frustrated that we can't seem to bring these things to an end.

Mr. Kardos responded that the Commission is being informed of the budget on a quarterly basis. With regard to individual change orders and contract modifications, change orders are being rolled up into modifications in order to maintain the cash flow associated with the performance of the contract.

Commissioner Strunsky asked if the contractor has submitted all of the change requests.

Mr. Kardos responded that they probably have not submitted all of them. There is always a clean up stage for the final modification. These change orders are outside of the original scope and were initiated by the airlines. Competing quotes were obtained from contractors working in the area. This modification reflects that change order.

Mr. Costas said that a report will be provided to the Commission on what we expect with regard to continuing modifications, the quantity, the reasons why and the duration.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Modification No. 3 to Contract No. 5511A - Boarding Area A Aircraft Apron - Ghilotti

Brothers Construction, Inc. - $2,097,777

No. 00-0196 — Resolution approving Modification No. 3 to Contract 5511A, Boarding Area A Aircraft Apron, construction services consisting of relocating and seismically upgrading Japan Airlines Ground Service Equipment Building and related utility work. The additional construction fee of $2,097,777 will be transferred from Program Reserves.

Mr. Kardos explained that this modification covers the added scope associated with the second phase of the Japan Airlines Site Improvements Project in the North Field. The scope includes the relocation and seismic upgrading of JAL's ground service equipment building and the associated civil work.

The modification has been approved by the Master Plan Technical Advisory Board and the cost has been forecasted in our quarterly report.

The MBE/WBE participation through this modification will be at the 21% / 8.9% respective levels, which are less than the base contract's 25.8% / 11% committed values, but still in excess of the original goals of 10% / 6% established for the base contract.

Commissioner Strunsky said that he did not have a problem with this one because it is a good way to get the work done. He understands the issue.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Modification No. 4 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - $1,166,368

No. 00-0197 — Resolution approving Modification No. 4 to Contract No. 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation, in the amount of $1,166,368 for work related to design changes to facilitate construction. Funding sources are the contract's contingency budget, budget transfer from the International Terminal Project, and budget underruns within the project.

Mr. Kardos explained that this modification includes design changes to facilitate construction and acceleration costs to maintain the performance schedule.

The modification has been reviewed and approved by the Master Plan Technical Advisory Board and the cost has been included in our forecast presented in the quarterly report. The sources of funding are Contract Contingency, some recovery from the International Terminal's budget and some budget underruns within the project.

Within this modification, the MBE/WBE subcontractor participation is at the 9.8% / 44.2% respective levels. The cumulative values for the base contract plus all four modifications are 10% for both groups of subcontractors exceeding the base contract's 8% / 2% respective goals.

Commissioner Crayton complimented Mr. Kardos on the WBE participation.

Commissioner Strunsky noted that about one fifth of this change order covers over time to meet schedule and asked if it was created by another contractor's failure to meet the schedule, and, if so, are we doing the appropriate back charge account?

Mr. Kardos responded that it is due to a late contractor and he is being charged.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Award of Contract No. 4073 - Phase 1, Task 1, North Terminal Seismic Upgrade - SOHA Engineers/Faye Bernstein & Associates, A Joint Venture - $575,000

No. 00-0198 — Resolution awarding Contract No. 4073, Phase 1, Task 1, North Terminal Seismic Upgrade to SOHA Engineers/Faye Bernstein & Associates, A Joint Venture, in the amount of $575,000.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that under Contract No. 4973 Phase I the consultant was tasked with performing a seismic investigation, evaluation and preliminary design for specific North Terminal seismic upgrades. Twelve companies responded to the Airport's Request for Qualifications, and six of those firms were short listed to submit proposals.

As a result of the written proposals and oral interviews, Airport staff recommends award of this Phase I Contract to the joint venture of SOHA Engineering and Faye Bernstein.

Commissioner Crayton complimented Mr. Eavis on the M/WBE participation.

Commissioner Ito noted that SOHA has done subcontracting work for the Airport and was pleased to see that they are able to be competitive for prime contracts.

Commissioner Ito asked if Mr. Eavis planned to return to the Commission with modifications.

Mr. Eavis responded that he is before the Commission today for the first phase to see how work is involved. Once that is determined we will know if it makes sense to go for secondary phases.

Commissioner Strunsky asked if this will be an on-going program to look at all of our buildings to make sure that they meet current seismic codes.

Mr. Eavis responded that any structure built before the Northridge earthquake will be looked at.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

7. Award Professional Services Agreement to Baker and McKenzie for Consultation Services Regarding the Formation of an Airfield Public Interest Committee and Permit Approval Strategies for the Airfield Reconfiguration Program - $125,000

No. 00-0199 — Resolution awarding Professional Services Agreement with Baker and McKenzie for Consulting Services regarding the Formation of an Airfield Public Interest Committee and Permit Approval Strategies, in an amount not to exceed $125,000; and terminating existing contract for $25,000.

Mr. Tom Gwyn, Airfield Development explained that the Director initiated this agreement with Baker and McKenzie to recruit and form a Public Interest Committee. Given the complexity of the Runway Reconfiguration Program and the process it must undergo, the Director has determined that additional consulting services would be needed from Baker and McKenzie.

Commissioner Strunsky assumed that this is an authorization to make these funds available, not necessarily spend them.

The Mayor came before this Commission three weeks ago and indicated the establishment of a program and staffing to move forward with the Runway Reconfiguration Program in the most expeditious manner. He assumed that this will allow staff to utilize these services, but not mandate their use.

Mr. Gwyn responded that was his understanding.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Authorization to Issue a Request for Proposals and Approve Lease Specifications for the North Terminal Concourse Specialty Store Lease

No. 00-0200 — Resolution approving lease specifications and authorizing issuance of a Request for Proposals for the North Terminal Concourse Specialty Store Lease.

Mr. Rhoades explained that the Commission authorized staff to conduct a pre-

proposal conference for the North Terminal Concourse Specialty Store Lease. This proposed facility will be located at the end of the North Terminal where the Christian Science Reading Room is currently located. The Reading Room will be relocated to the South Terminal.

This will be a major thoroughfare for United domestic and international passengers when the new building opens.

The pre-proposal conference was held on April 26, 2000 and was attended by three companies.

The two principle topics of discussion at the pre-proposal conference were the minimum investment which is set at $250 per square foot, and the term. We are proposing to maintain the $250 per square foot investment based on todays economic climate and to insure that we get the quality that we want. The term would be extended to five years, four months in order to get us through the peak season of the termination year.

Staff field measured the space and rather than 1,050 square feet, it is actually 1,250 square feet.

Commissioner Strunsky asked if this is a sterile area.

Mr. Rhoades responded that it is beyond the security checkpoint in the North Terminal.

Commissioner Strunsky asked if this increases our revenue.

Mr. Rhoades responded that the bookstore and California Shop revenue increased significantly once the concourse was secured. Initially, revenue for the North Beach Deli fell off but has rebounded substantially over the last six months. Typically, more revenue per square foot will be achieved in a post security area as opposed to pre-security, presumably because people are a little more relaxed once they get through the security process.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 through 23 were moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Modification No. 6 to Contract No. 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates - $400,000

No. 00-0201 Resolution approving an increase to basic professional services fees in the amount of $400,000 to provide As-Needed Plan Checking Services associated with the Master Plan Tenant Improvement Program. Funding for the services will

be provided from the Airport's Capital Improvement Program (CIP) Budget, with no impact on the Master Plan Baseline Budget.

10. Modification No. 2 to Contract No. 5001.1 of Professional Services Agreement Landscape Master Plan - Merrill+Befu Associates, Melvin Lee Associates, Orsee Design Associates, Stevens Associates, A Joint Association - $394,200

No. 00-0202 — Resolution authorizing Modification No. 2 to Professional Services Contract 5001.1 with Merrill+ Befu Assoc., Melvin Lee Assoc., Orsee Design Assoc., Stevens Assoc., A Joint Association in the amount of $394,200 for additional services related to revisions to landscape construction packages. Funding will be provided by the project budget and budget transfers from related Master Plan contracts with no impact on the Master Plan Baseline Budget.

11. Award Contract 4216 - As-Needed General Construction - Resource and Design, Inc. - $1,485,775

No. 00-0203 — Resolution awarding Contract No. 4216, As-Needed Construction, to the lowest responsive, responsible bidder, Resource and Design, Inc., in the amount of $1,485,775.

12. Modification No. 1 to the Professional Services Contract - Harris Miller Miller & Hanson Inc. - $300,000

No. 00-0204 — Resolution authorizing Modification No. 1 to the Professional Services Contract with Harris Miller Miller & Hanson Inc. to increase the mount by $300,000 with a maximum budget not to exceed $550,000. HMMH will continue to provide direct staff support for aircraft noise and flight track analysis, ad-hoc aircraft noise level analysis for areas or locations distant to permanent noise monitoring sites, and to conduct noise monitoring for low-frequency type noise.

13. Modification No. 5 to Professional Services Agreement - Dr. Lawrence A. Smookler - $130,000

No. 00-0205 — Resolution approving an extension of the Professional Services Agreement with Dr. Lawrence A. Smookler and $130,000 in fees for 2000/01.

14. Modification 1 to Contract No. 4116 - Facilities Fire Protection Improvements Value Fire Protection Inc. - $122,045

No. 00-0206 — Resolution approving Modification 1 to Contract No. 4116, Facilities Fire Protection Improvements with Value Fire Protection Inc., in the amount of $122,045.

15. Bid Call - Contract 4163 - Central Parking Garage, Special Resurfacing, Levels 4 & 5

No. 00-0207 — Resolution approving the scope, budget, and schedule for Contract No. 4163, Central Parking Garage - Special Resurfacing, Levels 4 & 5.

16. Bid Call - Contract No. 3565 - Terminal Upper Level Viaduct - Resurfacing

No. 00-0208 — Resolution approving the scope, budget, and schedule for Contract No. 3565, Terminal Upper Level Viaduct - Resurfacing, and authorize the Director to call for bids when ready.

17. Approval to Exercise the First and Final Five-Year Option to Extend its Lease Term for the Public Locker and Over-the-Counter Baggage Storage Lease with Smarte Carte, Inc.

No. 00-0209 — Resolution exercising Smarte Carte, Inc's first and final five-year option for the Public Locker and Over-the-Counter Baggage Storage Lease, commencing January 1, 2002.

18. Modification No. 3 to Professional Services Contract - MacKenzie Communications, A Certified WBE - $40,000

No. 00-0210 — Resolution approving Modification No. 3 to Professional Services Contract with MacKenzie Communications, A Certified WBE, for the continued development and ongoing outreach to the Bay Area Business Coalition, to increase the amount by $40,000 during the current contract term for professional services provided in the period April 1, 2000, through June 30, 2000.

19. Approval of a Five-Year, Three-Month Lease to Korean Airlines Company, Ltd. for Air Cargo Operations

No. 00-0211 — Resolution requesting approval of a five-year, three-month lease, with one five-year option to Korean Airlines Company, Ltd. for space in North Field Cargo Building 1 and directing the Commission Secretary to forward to the Board of Supervisors for approval.

20. Approval of Two Ten-Year, Four-Month Leases at West Field Cargo Building 1 to Asiana Airlines, Inc., and China Airlines, Ltd. for Air Cargo Operations

No. 00-0212
No. 00-0213 — Resolution requesting approval of two ten-year, four-month leases to Asiana Airlines, Inc. and China Airlines, Ltd. respectively for space in West Field Cargo Building 1, and directing the Commission Secretary to forward to the Board of Supervisors.

21. Consent to Assignment of the Harbor Village Lease

No. 00-0214 — Resolution consenting to the assignment of the Harbor Village Lease from Harbor Village Holiday Inn Tsui Hang Village, Inc. to Harbor Airport LLC.

22. Consent to Assignment of the Fung Lum Lease

No. 00-0215 — Resolution consenting to the assignment of the Fung Lum Lease from Joric and Jimmy Pang to Fung Lum Express LLC.

23. Consent to Deemed Assignment of the Lease and Concession Agreement

No. 00-0216 — Resolution consenting to deemed assignment of Lease and Concession Agreement resulting from change of ownership of Alamo Rent-A-Car, Inc., from AutoNation Inc. to ANC Rental Corporation, and Actual Assignment resulting from transfer of lease concession agreement from Alamo Rent-A-Car Inc. to Alamo Rent-A-Car, L.L.C.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:39 AM and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Dublin Steel v CCSF; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The public meeting was reconvened at 9:56 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 9:57 AM.

Jean Caramatti
Commission Secretary

SAN FRANCISCO
AIRPORT COMMISSION

Reconvened

MINUTES

June 20, 2000 and the Reconvened Meeting of June 21, 2000

12:00PM

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
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Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
June 20, 2000 and the Reconvened Meeting of June 21, 2000

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AIRPORT COMMISSION MEETING MINUTES

June 20, 2000 and the Reconvened Meeting of June 21, 2000

A. CALL TO ORDER:

The June 20, 2000 regular meeting of the Airport Commission was put over to June 21, 2000, at !2:00 PM in Room 416 due to lack of a quorum.

The meeting was called to order at 12:00 PM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Michael S. Strunsky Hon. Linda S. Crayton Hon. Caryl Ito
Absent:	Hon. Henry E. Berman, President Hon. Larry Mazzola, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 6, 2000 were adopted unanimously.

No. 00-0218

* * *

D. DIRECTOR'S REPORTS:

1. Quarterly Update on Status of Runway Reconfiguration Program - Report on Cost and Schedule of the Project

Ms. Peg Divine, Deputy Director, Airfield Development Bureau, explained that the planning phase budget for this work is $90.4 million. Contracts awarded and salaries incurred to date is $36.8 million. Billings against those contracts and salaries is $17.3 million.

The largest areas of work are the environmental studies at $14 million, and marine structure studies at $36.3 million.

To date we have produced Airfield Capacity Estimates showing what our various alternative configurations will produce in terms of delay reductions. We completed the Phase I Baseline Environmental Studies, the settings section of the environmental document. We also began the biology and hydraulogy studies

that have to take place over a 12 month period of time.

The construction concepts contracts for the marine structure studies are well underway. We have had most of the mid point reviews.

We have held approximately 15 communities meetings in the Bay Area, created a Runway Reconfiguration Website, and, at the request of various rotary clubs and City Councils, attended over 40 meetings.

An interim baseline schedule has been created against which we are measuring our progress.

The major contracts coming up in the next six months are a cost and schedule control contract that will aid in measuring each contract and each scheduled activity against the budget and schedule. Monthly reports will be provided indicating how we are doing and allowing for corrective action. Another is the Preliminary Structural Engineering contract.

Critical issues are being addressed as they occur, and are usually foreseen before they occur. We have been successful in developing recovery plans to accelerate certain portions of work, or find other ways to stay on schedule.

We are on schedule to publish the draft EIR/EIS in June 2001.

Construction concepts will be received on July 24. A preferred alternative layout plan will be recommended in late August or September.

Commissioner Ito asked if any major surprises have surfaced.

Ms. Divine responded that they have not been able to provide costs because they are still trying to determine the pieces of equipment necessary and the impacts on air quality.

Commissioner Crayton asked if the Relocation Consultant, who will perform the title searches, has begun.

Ms. Divine said that this is a critical issue and work is in progress and being done by Universal, a subconsultant of ADEC. Most of these properties are likely to be in the North Bay. The owner and any workers of properties chosen as mitigation properties may be entitled to relocation assistance. While we are trying to understand the impacts of the project and mitigate for any effects the it has. We are also trying to look at potential mitigation properties to see which ones work well and which ones do not, in terms of meeting project objectives, being able to use the soils we have, and dealing with property values.

Universal has done extensive work with BART and Caltrans, and has experience with the Federal Relocation Act.

Commissioner Crayton asked if we are at a critical stage in the geotechnical studies.

Ms. Divine responded that it is doing very well. We have had continued meetings between the environmental consultant and the geotechnical consultant. We have been able to save time by having one consultant take measurements for both.

Commissioner Strunsky did not see the FAA mentioned with respect to the requirement for new ILS plates and asked if we were on top of that.

Ms. Divine responded that we have spent nine months in meetings with FAA representatives from here to Oklahoma working out flight procedures, air space, and flight tracks. They have been modeled for capacity. We are beginning to look at getting results that will tell us something about noise implications. They will probably be refined to make sure that we have avoided any impacts from the project. Until they are refined it is premature to deal with the SID plates, but we are talking with the people who will deal with it.

Mr. Martin explained that we are still pursuing the Precision Runway Monitoring (PRM) with the Simultaneous Offset Instrument Approach (SOIA). Issues are being discussed with San Jose and the Airline Pilots Association (ALPA). The ALPA issues are critical and are being worked on by the FAA.

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E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

2. Modification No. 3 to Contract No. 5521A - Boarding Area G Apron Construction Pavex Construction, A Division of Granite Rock Company - $3,959,000

No. 00-0219 — Resolution approving Modification No. 3 to Contract 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Company, in the amount of $3,959,000 for International Terminal Building design changes to facilitate construction, Boarding Area G and International Terminal Building tenant infrastructure and utilities extensions, and Master Plan Activation requests. The funding sources are the Capital Improvement Program budget and Program Reserves.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification covers changes in three areas ... design changes to

facilitate construction, tenant infrastructure and utility extensions, and changes in support of activation.

The design changes encompass airline requested changes, agency changes, changes due to unanticipated field conditions and design changes due to errors and omissions. These changes will be performed on a time and materials basis not to exceed $2,644,000. Funding will initially come from program reserves. Ultimately the Airport expects to recover a substantial portion of this cost from the **designers, E&O Insurance.**

The tenant scope of work provides infrastructure and utility extensions to the individual leasehold spaces. These changes will also be performed on a time and material basis in accordance with the contract. The cost not-to-exceed $1,105,000 will be funded from the tenant capital improvement budget approved by the Commission this past December and will have no impact on he Master Plan budget.

In addition, changes not to exceed $210,000 will be performed to support activation and the terminal opening. These will also be funded from the capital improvement budget.

All of the required changes have been reviewed and approved by the Airport Technical Advisory Board and included in the Master Plan Quarterly Report presented to the Commission earlier this year.

The MBE/WBE subcontractor participation goals for this contract are 10% and 6% respectively and will be maintained for the modified contract. The MBE participation for this modification is 18.2%. There is no WBE participation in this modification.

Commissioner Ito asked Mr. Kardos if he was confident that most of the cost would be recovered by insurance.

Mr. Kardos responded that it will be recoverable to a certain extent. It will depend on the adroitness of the legal team when it comes to the recovery of errors and omissions.

Commissioner Ito noted that this modification appears to be in excess of the projections.

Mr. Kardos responded that this is an aggregate of three items ... the International Terminal errors and omissions. This was not part of the base contract, but it was convenient and expedient to assign it to Pavex, the Boarding Area G Apron contractor. Pavex is acting as the general contractor.

It also includes infrastructure utility extensions and Activation support.

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Modification No. 23 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture - $2,934,331

No. 00-0220

Resolution approving Modification No. 23 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corp., Perini Corp. and Buckley & Co., Inc., A Joint Venture, in the amount of $2,934,331 for work related to transferred scope and design changes to facilitate construction. Funding sources are current budget, budget transfers and Program Reserve.

Mr. Kardos explained that this modification is a compilation of changes as a result of design changes to facilitate construction, airline changes, agency requested changes, design errors and omissions and changes to support facility operations.

Funding will come from the current project budget, budget transfers and program reserves. The cost of these changes has been included in the program cost forecasts presented to the Commission in prior quarterly reports. These changes have been reviewed and approved by the Airport Technical Advisory Board.

The MBE/WBE subcontractor listing remains the same for this modification. The base contracts 10.3% combined participation goal remains the same. However, the current performance through the last modification far exceeds the goal with 18.2% MBE and 5.7% WBE participation for a combined goal of 23.9%.

The terminal is 96% complete and in the process of being turned over to the Airport. The final testing needed for a temporary certificate of occupancy on July 18 is in progress and on schedule.

Commissioner Strunsky noted that in the contract modification schedule there is a modification in June and one in December, for a total of five. He assumed that there will not be another between now and December.

Mr. Kardos responded that there will be some between now and December.

Commissioner Strunsky asked if we will be over budget.

Mr. Kardos responded that we will not be over the forecasted budget.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 7 to Contract No. 5515C - Security and Special Systems, Terminal Systems - SASCO Electric - $1,100,000

No. 00-0221 — Resolution approving Modification No. 7 to Contract 5515C, Security and Special Systems, Terminal Systems, with SASCO Electric to provide a SONET Compliant Cable Management System in the amount of $1,100,000.

Ms. Theresa Lee, Deputy Director, Administration explained that during the past year the Commission approved design changes to our telecommunications infrastructure for the new International Terminal to accommodate for new technology that would enhance the diversity and reliability of our common use communications infrastructure.

These changes were required as a result of our communications strategic plan which took advantage of the Telecommunications Deregulation Act. This puts the Airport in the position of being responsible for facilitating and providing communications transport such as voice data and video to every occupant of the new building.

The item before the Commission is an enhanced system that will provide the Airport with the capability to comprehensively manage, design and assign optical and physical communications circuits. This system will provide staff with a roadmap that will lead to an efficient resolution of communications problems.

Commissioner Strunsky asked if this will combine the whole Airport into the same system

Ms. Lee responded that it will combine as we migrate the common use and the telecommunication infrastructure Airport wide. This is enhanced to incorporate the fiber infrastructure which was not in the plan originally.

Commissioner Strunsky asked where the funding would come from.

Ms. Lee responded that it will come from Capital Improvement funds.

Commissioner Crayton asked who were some of the other prospective consultants.

Mr. Dale Mullen, Director, ITT responded that the field we looked at for a cable management system large enough to manage the tens of thousands of point to point connections that have to exist on the Airport is very limited. The original design handled only the ITC. We now need a system that is capable of looking at and tracking a piece of fiber with tens of thousands of sub paths within it.

We checked with USAA, which has the world's largest building, and they are using this cable management system. We also checked with Houston Airport which also uses this system.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

5. Modification No. 4 to Professional Services Contract No. 4087A, Geotechnical, Foundation, Hydraulics, Bathymetry, Sedimentation and Hazardous Material Studies - ADEC - $13,667,258

No. 00-0222	Resolution approving Modification No. 4 to Professional Services Contract No. 4087A, Geotechnical, Foundation, Hydraulics, Bathymetry, Sedimentation and Hazardous Material Studies with Airfield Development Engineering Consultant (ADEC), a Joint Venture of Fugro West and Moffatt and Nichol Engineers, for engineering work in support of the environmental impact studies, permitting, and for final geotechnical studies in preparation for structural engineering for the Runway Reconfiguration Program in an amount not to exceed $13,667,258.

Ms. Divine explained that at the time of award of this contract a year ago the geotechnical and hydraulic studies were and are necessary to complete the environmental studies to provide sufficient information for the Request for Proposals for the preliminary structural engineering contract.

In order to assess impacts to fish and wildlife we need data on the changes in water flow, sedimentation rates and patterns, and water chemistry caused by the project. Locations of construction materials to be used, and barge and dredge routes must be identified in the EIR/EIS.

The Commission awarded the three phase contract last July and authorized Phase I in an amount not to exceed $7 million. The Commission approved Modification No. 2 for $8 million for Phase 2 studies to continue engineering support in order for the draft EIR/EIS development to move forward during the off-shore runway construction concepts process. $2.3 million of that was to determine whether there was sufficient sand in the Bay for building part or all of the runways on earth fill. There is sufficient sand. Cost to build using earth fill would be reduced by hundreds of millions of dollars as a result of finding this sand.

Staff has had the opportunity to assess the geotechnical and hydraulic needs for the next 24 month period from now until final environmental approval is expected.

Staff recommends a modification to Phase III for work necessary to complete environmental studies and for preliminary structural engineering to begin. The structural engineering will be necessary to fully assess environmental impacts.

The cost for these three phases of work, totaling $28.7 million, is one percent or less of the estimated construction cost. The cost for similar phases of work by Fugro on the Bay Bridge was 1.3% of the construction cost as estimated at that time.

The cost of the geotechnical work on this type of project ranges from 1% to 3%, depending on the number of alternatives studied and the level of complexity. This is a site with very complex soil layers and properties. We will probably use a combination of construction methods rather than just one.

The engineer of record for the geotechnical report is Fugro. We will retain the geotechnical engineer of record to verify that the preliminary structural engineering conforms to the requirements established in the final geotechnical studies.

Assuming the Commission approves the construction of the reconfigured runways, approval would be sought for that work in the fall of 2002.

This modification was reviewed and approved by the Runway Advisory Committee.

Commissioner Strunsky asked if we were on target with the cost forecast.

Ms. Divine responded that this range of costs was expected.

Commissioner Strunsky asked if this will define for us whether we have enough material for fill.

Ms. Divine responded that Phase II gave us that information. This will tell us the shape and depth of the sand to allow the environmental analysis of what will happen if that sand is used. How will it disturb the Bay bottom? How will the circulation and sedimentation change if the soil is removed and a depression is left? These questions must be answered before approval to use this sand can be obtained from the permitting agencies.

It has tremendous schedule and cost benefits, and would also reduce air quality emissions considerably from piles or fill using diesel equipment.

Commissioner Crayton said that when the contract was awarded the M/WBE participation was specified.

Ms. Divine responded that they were. The goals were set at 7% WBE and 0% WBE. We have been using Westar Marine Services, a WBE, Manna Consultants, an MBE and we will continue with Bikwah, an African American firm.

Commissioner Crayton acknowledged Ms. Divine's record of involving diverse ethnic groups in this work. She hoped that further involvement would find its way in towing contracts.

Ms. Divine responded that this contract is for geotechnical investigations and surveys. They are moving around instrumentation. During construction there will be a lot of marine equipment on site.

Commissioner Strunsky asked if the airlines were aware of what we are doing.

Ms. Divine responded that they meet with the airlines every two or three months. In addition, they have daily conversations with the Airline Liaison Office. At the next meeting they will share with them the calculations for delay reductions for all of the delay alternatives. Eventually, the airlines will expect to see the benefit cost ratios for all of the alternatives. The noise data will also be shared with them.

Mr. Martin said that the ALO has been very helpful in assisting the airline representatives to understand the project and to answer their questions.

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Modification No. 9 to Airline Liaison Office Agreement - $998,400

No. 00-0223 — Resolution approving Modification No. 9 to the Airline Liaison Office Agreement, extending the agreement to June 30, 2001, with additional compensation in the amount of $998,400 for Fiscal Year 2000/01.

Mr. Bob Rhoades, Deputy Director, Business explained that the Airline Liaison Office has been performing this service for the Airport and the airlines since 1994. It was originally established to address the Master Plan Design and Construction Program, given the fact that the airlines, due to reduced personnel, no longer have that expertise.

The ALO has also been very active in the review of the 5-Year Capital Plan and other capital programs as they are developed.

This modification is a significant reduction from last years budget which exceeded $2.2 million. This reduction reflects the winding down of the Master Plan component of the program.

There are three major areas within this budget ... to finalize the Master Plan Program itself, continue the review of the 5-Year Capital Plan, and a component involving airfield development.

Commissioner Strunsky asked why this isn't handled as part of our overall annual operating budget.

Mr. Rhoades responded that it was set up specifically for the Master Plan Program. The work they have done over the years does not affect the operating budget, it affects the capital budget.

Item No. 7 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

7. Approval of Lease Amendments to Alter the Methodology for Tenant Improvement Work Rental Credit for the New Food and Beverage Program for the New International Terminal

No. 00-0224 — Resolution approving lease amendments for the new International Terminal food and beverage tenants to alter the methodology for tenant improvement rental credit.

Mr. Rhoades explained that when we first put together the proposal process for the food and beverage program for the new International Terminal, we included as a component a $125 per square foot rental credit that would be applied over time. This is typical of what we do for a DBE program.

The difference here is that we propose to provide the rental credit up front. The economic conditions in the Bay Area, particularly in construction, has been very difficult. The average construction cost for facilities at the Airport two or three years ago was $250 to $300 per square foot, and sometimes a little higher. Currently, the cost is running at $500 per square foot in the base building, and up to an additional $300 to $400 for furniture, fixtures and equipment. On average, the food and beverage operators are spending about $810 per square foot.

He has met with the restaurant association formed by the 16 operators in the new International Terminal, as well as the retail operators to discuss this matter. He believes that providing the construction credit up front will help alleviate the situation.

He is also looking at the infrastructure construction the tenants have been required to do, which is typically landlord work. When the security and special systems were designed we did not know who the tenants were because the bid process had not been completed. In the new International Terminal the tenants are tasked with bringing the fire alarm system from some point to the point of the premises. This is outside of the realm of tenant work.

We are currently assessing those costs and will return to the Commission for a rental credit.

Commissioner Ito said that some of these concerns have been brought to her attention by the new tenants. Another issue is the policy change to allow non-ticketed passengers to go through security and the concern that we will not have adequate food in those areas.

Mr. Rhoades said that he told the association members that he would attend their general meetings any time. He has discussed with some members the concept of non-ticketed passengers going through the security check point. We believe

that allowing non-ticketed passengers past security will bring more people into the building. We also believe that allowing domestic flight activity in the building will bring additional customers.

Marketing will be very critical. There is no other program like this in the United States. It is in our best interest that they succeed.

Commissioner Crayton said that she was happy that we were allowing non-ticketed passengers access to the post security area.

She asked if there are other issues that may be of concern to the operators.

Mr. Rhoades responded that he was not aware of any other issues. He said that there were two other points that were discussed ... the three deferred spaces in the Boarding Areas. Those spaces were deferred based upon our models and the belief that they were good bank spaces. He told the group that those spaces would be awarded if it was deemed necessary due to an unanticipated surge in traffic in the Boarding Areas.

The other item was lease extensions. We went through a process that awarded leases for nine years 11 months through a competitive process. It would be very difficult to award options. The operators understand this from a legal perspective. We think that a combination of a rent credit and infrastructure reimbursement can provide economic relief, even though we cannot get them back down to $350 a square foot. Joint venturing with them on the marketing effort will go a long way to make this a successful program.

Commissioner Ito noted that there was a suggestion that part of the marketing plan was to make parking more available for customers who use our restaurants as destination restaurants.

Mr. Martin said that a plan is being developed.

Commissioner Strunsky was not certain that this was enough. When these leases were bid we assumed a minimum of $250 per square foot. Are we sure that will receive a quality level of finishings for these stores?

Mr. Martin responded that the Design Review Committee has spent an enormous amount of time reviewing the designs and making sure that we high end finishes. If the design calls for wood finish it must be real wood, not a laminate.

Mr. Rhoades added that he has seen the designs and they're beautiful. The quality of the facilities is phenomenal.

Item No. 8 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

8. Approval of Fiscal Year 2000/01 Rates and Charges

No. 00-0225

Resolution establishing aircraft landing fee rates, minimum landing fee rates, terminal space rental rates, cargo space rental rates, outdoor storage rates for commercial aircraft, outdoor storage rates for general aviation aircraft, security fees, identification badge fees, jet bridge rental rates, in-transit lounge rental rates, sewage/wastewater treatment rates, water rates, public and employee auto parking rates, trip fees for ground transportation operators and the consolidated on-Airport rental car shuttle bus service, multi-use system equipment fees, closed-circuit television fees, common-use telephone authorization fees, and telecommunication infrastructure fees.

Mr. Marcus Perro, Deputy Director, Finance explained that in FY 2000/01 the Airport expects to spend about $486 million to provide facilities and services for use of commercial activities and for personnel and private travel.

The commercial use of the Airport generates about $15.4 billion in annual revenue for those businesses using Airport facilities and services.

The Airport is financially self-supporting. We do not receive any money from local or state government. We receive approximately $250,000 in Federal funds to reimburse our K-9 explosive detection program. We rely on rates and charges to pay for our operating expenses.

Each year, as part of the Lease and Use Agreement requirements, Airport staff takes a look at our revenue requirements and evaluates our revenue potential from items such as concession leases, ground leases, items that are not affected by rates and charges. Consistent with the guidelines of the Lease and Use Agreement and the methodology provided, airline rates and charges and other tenant rates and charges are computed.

Consistent with Airport policy the rates and charges do not place an undue or excessive financial burden on Airport tenants. The aircraft landing fees and terminal rental rates amount to less than $125 million in 1995 amounts. The employee auto parking rates equate to less than $3.00 per day compared to the $16.00 per day being charged downtown. Ground Transportation trip fee increases range from 5 cents to 60 cents which compares to the previous proposal where increases went as high as $1.15.

The Airport rates and charges is consistent with Airport policy objectives. The $299 million it will generate is sufficient to pay for operating expenses.

The airlines, employee unions and ground transportation industry have been informed of the rate increases.

Commissioner Strunsky asked how our cost per passenger rate compares to other airports.

Mr. Perro responded that we are the seventh lowest airport in cost per passenger among major airports. In constant 1995 dollars our cost per enplanement is about 50 cents less than it was in 1981 before we began crediting concession revenues.

Mr. Martin said that among international airports around the world, Tokyo is five times higher, London is about 50% higher. All European airports are 50% or more higher. All the Asian airports are two, three, four or five times higher.

The fees the airlines pay in San Francisco are less than 2% of their fare revenue. San Francisco is the highest yielding fare market in the country.

Item No. 9 was put over.

9. Passenger Facility Charge Application

Resolution authorizing the Director to execute and file an application with the Federal Aviation Administration to impose and use a Passenger Facility Charge.

Mr. Perro explained that the Master Plan Program has been financed without any help from local or state government. We receive up to about $15 million from the Federal government in the form of Airport improvement grants.

To date we have funded over $3 billion in capital expenditures for the Master Plan and the on-going Capital Improvement Plan.

Over the next five years we project that we will spend approximately $1 billion for our Capital Improvement Program. We are also evaluating the financial feasibility of a Runway Reconfiguration Program.

Consistent with what was done with the Master Plan, we have been meeting with financial consultants to discuss and formulate plans. One of those plans includes maximizing use of federal resources to lower the cost of future capital improvements and the Runway Reconfiguration Program.

The financial consultants and Airport staff are recommending that we include Passenger Facility Charges (PFC) in our financing plan. The financing plan for PFCs would be limited to airfield related projects such as the Runway Reconfiguration Program and airfield improvement projects that are in our Capital Improvement Program.

A PFC would enable us to reserve Airport revenue bond capacity for other parts of our Capital Improvement Program, and we would be able to position ourselves to maximize use of Federal grants for our Runway Reconfiguration Program.

Commissioner Strunsky said that although his view of PFCs is unfavorable, he agrees that it is important for the runways.

He was uncomfortable that only three Commissioners were present to vote on this item.

A discussion ensued regarding the advisability of having all Commissioners present to vote on this item.

The item was put over to the next meeting.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 18 were moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

10. Award of the Millbrae View Lot Mobile Catering Truck Lease A to Irma & Arnel Catering and Lease B to Y&P Catering

No. 00-0226	Resolution awarding the Millbrae View Lot Mobile Catering Truck Lease A to Irma & Arnel Guevara with a minimum annual guarantee of $28,000, and Lease B to Y&P Catering with a minimum annual guarantee of $27,101.

11. Modification No. 3 to Morla Design Contract for Graphic Design Services - $150,000

No. 00-0227	Resolution approving Modification No. 3 exercising the second and final option to the Graphic Design Services Contract with Morla Design for the design of the Airport's annual report, and increasing the scope to include the design of the Airport's 2001 calendar for an amount not-to-exceed $150,000.

12. Authorization to Accept Proposals and Approve Lease Specifications for the Boarding Area F Executive Writing Instruments Lease

No. 00-0228	Resolution requesting authorization to accept proposals and approve lease specifications for the Boarding Area F Executive Writing Instruments Lease.

13. Authorization to Conduct a Pre-bid Conference for Boarding Area F Cosmetic and Toiletries Lease and Holdover of the Current Tenant

No. 00-0229 — Resolution authorizing staff to conduct a pre-bid conference for the Boarding Area F Cosmetic and Toiletries Lease and approve the holdover of the current tenant, The Body Shop.

14. Authorization to Conduct a Pre-bid Conference for Boarding Area F Discretionary Store Lease

No. 00-0230 — Resolution authorizing staff to conduct a pre-bid conference for the Boarding Area F Discretionary Store Lease.

15. Reject All Bids - Contract No. 4306 - Terminal Upper Level Viaduct - Concrete Repair, Phase II

No. 00-0231 — Resolution rejecting all bids for Contract No. 4306, Terminal Upper Level Viaduct - Concrete Repair, Phase II and authorize the Director to re-bid the scope of this contract when ready.

16. Bid Call - Contract No. 4358 - On-Call Entrance Roadway and Other Paving

No. 00-0232 — Resolution approving the scope, budget, and schedule for Contract No. 4358, On-Call Entrance Roadway and Other Paving, and authorize the Director to call for bids when ready.

17. Bid Call - Contract No. 4346 - As-Needed Utility Repairs FY 2000/01

No. 00-0233 — Resolution approving the scope, budget, and schedule for Contract No. 4346, As-Needed Utility Repairs FY 2000/01, and authorizing the Director to call for bids when ready.

18. Authorization to Enter into a Professional Services Agreement with the County of San Mateo - $766,500

No. 00-0234 — Resolution authorizing staff to enter into a Professional Services Agreement with the County of San Mateo to provide Airport Community Roundtable services for the period July 1, 2000 through June 30, 2003 in an amount not-to-exceed $766,500.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Director advised the Commission that there was no need to go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 1:17 PM.

Jean Caramatti
Commission Secretary

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6/00
Special

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

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July 6, 2000
Special Meeting

9:00 A.M.

ROOM 408 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President

LARRY MAZZOLA
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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	2.	Modification N. 2 to Contract 3606C - Abatement and Demolition of Various Facilities & Utilities Construction Work - Aman Environmental	00-0237	5-6
	3.	Modification No. 8 to Contract 5515.3 - Security and Special Systems - Holmes and Narver	00-0238	6-7
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AIRPORT COMMISSION SPECIAL MEETING MINUTES

July 6, 2000

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 408, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Larry Mazzola, Vice President Hon. Michael S. Strunsky Hon. Caryl Ito
Absent:	Hon. Linda S. Crayton

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 20, 2000 and the reconvened meeting of June 21, 2000 were adopted unanimously.

No. 00-0235

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky remarked on the telephone company problem in San Mateo last week. He was aware that a second MPOE is scheduled and hoped that everything possible is being done to expedite it.

Mr. Martin said that he viewed all utility issues as a real threat. The goal is to have full redundancy. We presently control our on-Airport phone lines and water and sewer lines, and we will soon have our own power on Airport.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Mazzola and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Award Contract No. 5606BR - Police Substation Rebid - Cuevas and Mannion Construction - $3,541,400

No. 00-0236 Resolution awarding Contract 5606BR, Police Substation - Rebid, to Cuevas and Mannion Construction to relocate the Police Substation from its current location on the upper level of the International Terminal to the lower level of the South Terminal. This work is funded from the Airport's Capital Improvement Program funds with no impact on the Master Plan Baseline Budget.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that on August 17, 1999 the Commission authorized the Director to call for bids on the Police Substation contract. On December 21, 1999, five contractors submitted bids all of which were deemed non-responsive. On March 7, 2000, the Commission rejected all bids and authorized re-bid of the contract.

Two bids were received on May 4, 2000. Cuevas and Mannion submitted the low bid in the base bid amount of $3,500,000.

The contract is funded by the Airport's Capital Improvement Program budget. The apparent low bid is close to 80% higher than the $1.99 million budget established in January 1998 reflecting the conditions of the current construction market. Continuing the value engineering effort initiated during the design phase, the scope of the work will be reviewed by staff to identify potential cost savings.

The proposed resolution awards the base contract only. The prime contractor, an MBE, committed to a 32% MBE / 2.2% WBE participation, considerably exceeding the 9% / 2% respective goals established for the contract.

The second bidder filed a bid protest which was found to be without merit, establishing Cuevas & Mannion as the reliable responsive low bidder.

Commissioner Mazzola noted that since this contract is not under the Master Plan it is not covered by the Project Labor Agreement. How do we insure that prevailing wage is being paid to workers?

Mr. Kardos responded that prevailing wage is a contractual condition on all of our contracts. Our prevailing wage monitoring unit, specifically established for this purpose, reviews certified payrolls to insure that prevailing wage is paid throughout the contract.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Modification No. 2 to Contract No. 3606C - Abatement and Demolition of Various Facilities and Utilities Construction Work - Aman Environmental Construction, Inc. - $2,900,000

No. 00-0237 Resolution approving Modification No. 2 to Contract No. 3606C, Abatement and Demolition of

Various Facilities and Utilities Construction Work with Aman Environmental Construction, Inc., in the amount of $2,900,000.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that this contract was awarded in early 1997 to abate hazardous substances and to demolish various facilities and utilities at the Airport.

While demolishing the old Federal Express building, asbestos and other high level contaminants were discovered at the site, increasing the cost and time requirements for the abatement and demolition. Further, that contamination was hampering the utility installation for the new North Cargo building.

This modification will pay for the removal of that Class 1 waste, which is approximately 10 times more expensive to remove than the Class 3 waste normally found at the Airport.

Since this contractor is licensed to perform utility work in contaminated areas, he will also put in the utilities.

The cost will be recovered through our cost recovery program once the work is complete.

Commissioner Strunsky asked what this building was originally.

Mr. Eavis responded that it has been on the Airport for over 50 years. It was originally a Japan Airlines hangar, then Flying Tigers, and Federal Express.

Mr. Martin added that it was built as a temporary structure during World War II.

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Modification No. 8 to Contract No. 5515.3 - Security and Special Systems Holmes and Narver - $1,265,063

No. 00-0238 — Resolution authorizing Modification No. 8 to Contract No. 5515.3 with Holmes & Narver in the amount of $1,265,063 to provide design services to support changes to the Master Plan Schedule and to provide start-up support for the New International Terminal. Funding will be provided by transfers from the Capital Improvement Program (CIP) budget and from budget underruns within the overall 5515 Security and Special Systems Budget. There will be no impact to the Baseline Budget.

Mr. Kardos explained that this modification covers design engineering services associated with program changes for the Securities and Special Systems Project.

In particular, the scope includes design support for the utility extension contracts, modifications requested by Federal Inspection Services accommodate their systems, and design support for the Airport's enhanced telecommunication system.

Funding will be provided by underruns within the overall Security and Special Systems budget and the Airport's Capital Improvement Program budget. This modification has been reviewed and approved by the Professional Services Fee Review Committee.

The base contract's MBE/WBE participation goal of 21% remains unchanged for the modified contract. The modification provides for 21.9% MBE participation, which is slightly higher than the established goals for the base contract.

Commissioner Strunsky noted that there are two sources of funding ... the Master Plan and Capital Improvement. He asked if this was in the forecast.

Mr. Kardos responded that it was.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Passenger Facility Charge Application

No. 00-0239 — Resolution authorizing the Director to execute and file an application with the Federal Aviation Administration to impose and use a Passenger Facility Charge.

Mr. Martin explained that this item was held over from the last meeting. A revised resolution is being presented.

The Passenger Facility Charge is being proposed as the major funding source for runway reconfiguration projects. The PFC will be used almost entirely for construction costs, however, initially, these funds will be used for costs related to obtaining approvals on the project.

The resolution before the Commission authorizes him to prepare an application for the FAA, it requires him to return to the Commission to obtain approval on specific projects related to the runway reconfiguration program funded by the PFC, and it requires him to return to the Commission for approval on the application itself.

The resolution also makes clear that the Commission reserves the right to discontinue the imposition of a PFC and requires the Airport to maintain a separate fund to track PFC revenues, which is in compliance with Federal regulations.

Mr. Martin said that we are the only major airport that has not yet imposed a PFC. All of the airports he knows of are moving from the $3.00 charge to the $4.50 charge authorized a year and a half ago by Congress and the President.

Commissioner Strunsky said that this is the second most important issue that he has seen in his seven years with the Commission. This PFC, although necessary to proceed with the Runway Reconfiguration Program, is a tax on the residents of San Francisco. These funds should not be expended on something that is fundable from another source, nor should they go to mitigate cost to the airlines.

Commissioner Ito noted that the other side of the coin is our responsibility to the residents of San Francisco to maintain our bond rating. This PFC will also allow us to qualify for other grants from the Federal government.

Commissioner Mazzola asked when the PFC will be imposed.

Mr. Martin responded that it will take about a year to get through the process with the FAA. The earliest date is probably July 1, 2001.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Award of Language Interpreter Management Firm Contract - Beacon's Translation and Interpretation Services - $800,000

No. 00-0240	Resolution authorizing Director to award contract to Language Management Resources, A Joint Venture between Beacon's Translation and Interpretation Services, An HRC-Certified MBE (Latino) Firm and International effectiveness center, to implement the Language Interpreter Management Program for two years in the amount not-to-exceed $800,000 for year one.

Mr. Peter Nardoza, Deputy Director, Public Affairs explained that the contract was originally awarded to a joint venture that was ultimately unable to sign a contract with us. As a result, the bid was rejected and authorization to rebid was received.

Mr. Nardoza said that SFO is fairly unique in providing a language interpreting service in the FIS area. The law requires that the airlines provide assistance needed by their passengers to enter the country. This service is normally provided by the airline at the Immigration desk. We found that when the passenger left Immigration and approached Customs, assistance was no longer available.

We began providing that service with part time Civil Service employees. As the program grew, Civil Service was unable to classify those employees to make them permanent. It was recommended that we take this route.

Commissioner Ito asked why the budget was reduced by 34%.

Mr. Nardoza responded that when the Airport reviewed its entire budget going into a very critical year, we saw that a number of professional services contracts needed to be reevaluated. This was one of them.

Commissioner Ito asked how this reduction affected the contract.

Mr. Nardoza responded that the contract was bare boned to the actual labor force. The original contract included add ons to training, etc.

This contract requires a certain number of personnel to meet each and every flight as it arrives. That is basically it.

Commissioner Ito asked if Customs takes any responsibility, or shares in costs.

Mr. Nardoza responded that the United States government does not provide interpreting service. The INS, Customs agents, agriculture inspectors are not necessarily bi-lingual. It is the responsibility of the airline to see to it that their passenger is able to meet the requirements of the Federal government, therefore, they must be able to respond to Federal government questions. It is our experience that the airlines were helpful in the INS part of the process, but Customs provides little or no assistance. The lines back up. People are confused. We did not feel it was an adequate or professional welcome to our City so we began to provide this service.

Mr. Nardoza added that there has been serious concern regarding the number of Immigration agents stationed at SFO, particularly with the new building coming on line. Although the new building is constructed to handle 5,000 passengers an hour, Immigration did not budget any new agents for SFO. This issue was discussed with Congresswoman Pelosi and Senator Feinstein. We have just learned that 52 new agents will be detailed to SFO in the next couple of months.

Commissioner Strunsky, noting that the contract was for two years but the funding was for the first year only, asked if we were putting ourselves in a questionable negotiating position for the second year.

Mr. Nardoza responded that the second year is an option at the Commission's discretion. We will evaluate the funds that we have for this service, reenter into negotiations with the contractor, and return to the Commission.

Item No. 6 was moved by Commissioner Ito and seconded by Commissioner Berman. The vote to approve was unanimous.

6. Concession Bond and Loan Assistance Program for Disadvantaged Business Enterprises - Increase the Line of Credit with Wells Fargo Bank

No. 00-0241 — Resolution approving Concession Bond and Loan Assistance Program for Disadvantaged Business Enterprises - Increase the Line of Credit with Wells Fargo Bank from $9,000,000 to $19,000,000.

Mr. Bob Rhoades, Deputy Director, Business explained that in December 1994 the Commission established a line of credit for the Airport's Surety Bond Program for construction. In April 1999, the loan guarantee was increased to include the Concession Bond and Loan Assistance Program. In November 1999, the loan amount available for concessionaires was increased from $2 million to $5 million. In March 2000 the maximum amount that any concessionaire could receive under the guarantee was up to $3 million.

Due to the economy and the limited amount of construction resources available, construction costs have escalated to over $800 per square foot, including the furniture, fixtures and equipment.

Four food and beverage operators had applied for assistance at the time the amount was increased. Since that time an additional eight have applied for assistance. The $9 million ceiling has been exhausted.

This resolution increases the ceiling to $19 million and includes a $4 million contingency in the event the climate deteriorates even further.

Staff is also looking at all construction costs associated with work that would normally belong to the landlord. A new building generally has infrastructure work that the tenant is required to do that typically would be landlord work in an existing building.

Mr. Martin added that our Surety Bond Loan track record is very good. We have not had a single loss on the program. It is important to support Airport businesses, especially given the extraordinary construction costs.

Commissioner Strunsky expressed concern about the costs and wondered if these businesses can still be profitable. Are we taking on responsibility for a sure failure?

Mr. Rhoades responded that Pacific Gateway Partnership did an extensive pro forma on the traffic in the building, the current spending habits of passengers, the projected increase in passengers, etc. We are also including domestic services in the building which were not factored in. With the addition of domestic passengers, we feel that spending levels in the building will increase.

He is confident that this will be a successful program.

Commissioner Strunsky asked about allowing validated parking and looking into other strategies to assist the tenants.

Mr. Rhoades responded that staff is looking at options.

Commissioner Ito asked if tenants will be open on time if they are still trying to secure funding.

Mr. Rhoades responded that construction is on schedule.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 through 20 were moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

Commissioner Strunsky noted that several of these items merge the Runway Program with other issues. He asked if these costs will be separated so that they can be evaluated and applied to PFC funds.

Mr. Martin responded that all costs related to the runways will be tracked separately, even when there is a mixture of funds.

7. Modification No. 1 to Contract 5531AR - Taxiways H and M Realignment, Phase A - Huey Construction Management Co., Inc. - $700,000

No. 00-0242	Resolution approving Modification No. 1 to Contract 5531AR, Taxiways H and M Realignment, Phase A with Huey Construction Management Co., Inc., in the amount of $700,000.

8. Modification No. 6 to Contract No. 5510CM - Boarding Area A and Related Projects - Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc./Lee-Trenchard Consulting, A Joint Venture - $320,000

No. 00-0243	Resolution approving Modification No. 6 to Contract 5510CM of Professional Services Agreement, Boarding Area A and Related Projects, with Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc./Lee-Trenchard Consulting, A Joint Venture, in the amount of $320,000. This modification provides additional funding for on-site staffing to support the Activation and Start-up of New Boarding Area, and to provide inspection support to FOM/BICE for the on-going concessions and airline tenant development in New Boarding Area A. Funding for this Modification will be provided by the Airport's Capital Improvement Program (CIP) Budget with no change to the Master Plan Baseline Budget.

9. Award of Contract No. 4291 - North McDonnell Road Improvements - Ghilotti Brothers Construction, Inc. - $578,800

No. 00-0244	Resolution awarding Contract No. 4291, North McDonnell Road Improvements between West Field Road and West Area Drive, to the lowest responsive, responsible bidder, Ghilotti Brothers

Construction, Inc., in the amount of $578,800.

10. Modification No. 17 to Legal Services Agreement with Morrison & Foerster, LLP - $500,000

No. 00-0245 — Resolution approving Modification No. 17 to Legal Services Agreement with Morrison & Foerster, LLP relating to the Airline Lease/Master Plan Contract to increase compensation in the amount of $500,000; all other terms and conditions to remain in full force and effect.

11. Modification No. 1 to Contract No. 4279 - On-Call Construction Services for Signs Vomar Products, Inc. - $430,000

No. 00-0246 — Resolution approving Modification No. 1 to Contract No. 4279, On-Call Construction Services for Signs in Terminals with Vomar Products, Inc., in the amount of $430,000. The work is funded by the Capital Improvement Program with no impact on the Master Plan Baseline Budget.

12. Modification No. 1 to Contract No. 4069 - Information Kiosks - Cuevas & Mannion Construction, Inc. - $35,000

No. 00-0247 — Resolution approving Modification No. 1 to Contract 4069, Information Kiosks, with Cuevas & Mannion Construction, Inc., in the amount of $35,000. The work is funded by the Capital Improvement Program with no impact on the Master Plan Baseline Budget.

The Contract No. should read 4002, rather than 4003.

13. Modification No. 1 to Professional Services Contract No. 4003 - Assistance with Environmental Review - Environmental Science Associates (ESA) - $700,000

No. 00-0248 — Resolution approving Modification No. 1 to Contract No. 4003 with Environmental Science Associates (ESA) to provide Assistance with environmental review for the Runway Reconfiguration Program in an amount not to exceed $350,000 for a total contract amount not to exceed $700,000.

14. Professional Services Contract with Harris Miller Miller & Hanson Inc. - $291,000

No. 00-0249 — Resolution authorizing a two-year professional services contract with Harris Miller Miller & Hanson Inc., to oversee the design, acquisition, installation, and testing of a comprehensive and enhanced aircraft noise management system in support of the Airport/Community Roundtable and initiatives to address noise impacts and further reduce the noise impact area as required under conditions of the variance to the California Noise Standards in an amount not to exceed $291,000.

15. Modification No. 1 to Personal Services Contract No. 7031.1 - Public Information Services - Solem and Associates - $90,000

No. 00-0250 — Resolution approving Modification No. 1 to Personal Services Contract 7031.1 with Solem & Associates for Public Information Services for the Runway Reconfiguration Program in an amount not to exceed $90,000 for contract close out.

16. Bid Call - Contract No. 4297 - As-Needed Airport Facility - HVAC Improvements, Year 2000-2001

No. 00-0251 — Resolution approving the scope, budget, and schedule for Contract 4297, As-Needed Airport Facility - HVAC Improvements, Year 2000-2001.

17. Contract with the Corporation of the Fine Arts Museums Conservation Laboratory - $90,000

No. 00-0252 — Resolution approving contract for $90,000 with the Corporation of the Fine Arts Museums (COFAM) Conservation Laboratory for conservation services.

18. Modification No. 2 to Security Identification Display Area Training Video Contract FAT BOX, Inc. - $5,900

No. 00-0253 — Resolution approving Modification No. 2 to Security Identification Display Area Training Video Contract with FAT Box, Inc. for production of a Security Identification Display Area Training Videotape. The Modification will incorporate recent changes in the Airport Security Program into the new video. The Modification will extend the contract until August 31, 2000 and increase the contract amount by $5,900.

19. Reimbursement to Trans World Airlines, Inc. for Interim Bus Service Linking the West Field Parking Garage to the Terminals

No. 00-0254 — Resolution authorizing additional reimbursement to Trans World Airlines, Inc. for providing employee busing from the West Field Parking Garage to the Terminals in an amount not-to-exceed $190,000.

20. Consent to Assignment of the North Terminal Newsstand Lease - Aarons' Concession, Inc. to CalStar Retail, Inc.

No. 00-0255 — Resolution consenting to Assignment of the North Terminal Newsstand Lease from Aarons' Concession, Inc. to CalStar Retail, Inc.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. George Chen, Qi Restaurant said that the owners of the food and beverage facilities in the new International Terminal have formed a restaurant association. He understood that there has been an increase in the bond program and provision for reimbursement for infrastructure costs.

In order to succeed, he will need to do approximately two times his investment annually. He is spending $5 million and he is reaching the range where he must be careful.

The Association understands that they will be paid up front for infrastructure costs but they don't know who will handle the process. Will Pacific Gateway be involved? These communication problems concern him. How do you define "base construction"? What is "infrastructure"?

He asked if he will receive the money in time to finish the project.

He recommended developing a schedule so that the food and beverage operators will know what to expect.

Mr. Chen repeated his concerned about the lack of communication, referring to a recent decision to allow non-ticketed passengers past security. The restaurateurs are not happy about this. He feels that they are being left in the dark. He will have to disclose to his investors that even though they will be the only restaurant/bar pre-security, non-ticketed passengers will now be allowed past security. He believes that he will loose investors as a result of this decision, not to mention the legal fees involved.

Mr. Martin appreciated Mr. Chen's comments and his participation in forming an association. These issues have to be worked out at the staff level. Those issues that cannot be resolved will be brought back to the Commission. The Commission will be provided with a report on the outcome of Mr. Chen's meeting with Mr. Rhoades.

Commissioner Ito noted that staff is trying to market these businesses. She added that the Director has committed that Mr. Rhoades will be the contact with the tenants, not Pacific Gateway.

Commissioner Berman congratulated Ms. Mara Rosales, Airport General Counsel on behalf of the Commission for the "Women Who Make a Difference" award that she will receive tonight from the Commission on the Status of Women for her contribution towards enhancing employment for women.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Director informed the Commission that it was not necessary to go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

DOCUMENTS DEPT.

AUG - 9 2000

SAN FRANCISCO PUBLIC LIBRARY

MINUTES

July 18, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
July 18, 2000

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	1.	Modification No. 24 to Contract 5500E - International Terminal General Construction - Tutor-Saliba Corp/Perini Corp/Buckley & Co.	00-0257	3-4
	2.	Modification No. 7 to Contract 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, A Joint Venture	00-0258	4-5
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	4.	Modification No. 7 of Professional Services Contract 5510 - New Boarding Area A - Gerson/ Overstreet	00-0260	6
	5.	Modification No. 3 of Professional Service Contract 5500.5 - Material Testing and Inspection for International Terminal General Construction & AirTrain Maintenance Facility and Remote Stations - Consolidated Engineering Laboratories	00-0261	7
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G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	9.	Modification No. 3 of Professional Services Contract 5500.4 - Material Testing and Inspection for Concourse H/AirTrain Station - Smith-Emery Company and ISI, A Joint Venture	00-0264	9
	10.	Modification No. 4 to Contract 5511A - Boarding Area A, Aircraft Apron Ghilotti Brothers Construction, Inc.	00-0265	10
	11.	Modification No. 1 for Professional Contract 5950 - Improvements to Central Plan Project - Ajmani & Pamidi, Inc.	00-0266	10
	12.	Award Contract 4159 - As-Needed Security Fencing - Central Fence Company	00-0267	10
	13.	Modification No. 1 to Contract 5500S - Aviation Museum - Lem/MH Construction, A J. V.	00-0268	10-11
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	15.	Amendments to Commercial Aircraft Storage Fees and Limousine Operator's Parking Fees	00-0270	11
	16.	Memorandum of Understanding Between the County of San Mateo Sheriff Department and the Airport	00-0271	11
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AIRPORT COMMISSION MEETING MINUTES

July 18, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, Vice President Hon. Michael S. Strunsky Hon. Linda S. Crayton
Absent:	Hon. Henry E. Berman, President Hon. Caryl Ito

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C. ADOPTION OF MINUTES:

The minutes of the special meeting of July 6, 2000 were adopted unanimously.

No. 00-0256

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky wished Commissioner Berman a speedy recovery from his recent surgery.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Modification No. 24 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corp., Perini Corp. and Buckley & Co., Inc., A Joint Venture - $3,120,890

No. 00-0257	Resolution approving Modification No. 24 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corp/Perini Corp/ Buckley & Co, Inc, A Joint Venture, in the amount

of $3,120,890 for work related to design changes to facilitate construction and change impact mitigation. Funding source is Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is a compilation of changes covering design revisions requested by the Federal Inspection Services, costs associated with the initial five month time extension of the contract, and minor changes due to scope transfers from various other projects.

The changes have been reviewed and approved by the Master Plan Advisory Board and the costs have been included in the forecasts presented in the quarterly reports.

The MBE/WBE subcontractor listing remains unchanged. The contract's performance through this modification at the 18.2% MBE and 5.7% WBE participation levels considerably exceeds the base contract's 10.3% combined goal.

The project is 98% complete. The TCO is scheduled for July 26, with limited operations by August 15 and full operation by September 26.

Commissioner Strunsky said that he was glad to see this coming to an end. Is this the end of scheduled impact mitigation for the entire job?

Mr. Kardos responded that this particular one is the initial five month extension granted at the beginning of the contract. There was a series of disagreements with the contractor regarding the justifiable and sustainable costs.

We began a roughly $2 million trend for this particular time extension cost item and eventually settled at around $900,000. This has been dragged out for a long time. It does not really have a major impact on the rest of the contract.

Mr. Kardos explained that with regard to missing the December 31, 1999 completion date, our agreement with Tutor-Saliba entitles us to retain estimated exposure costs. We are currently retaining $24 million, our current estimate for exposure is around $50 million. The overall clean up of the contract is to come.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

2. Modification No. 7 to Contract No. 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, A Joint Venture - $1,571,500

No. 00-0258 — Resolution approving Modification No. 7 to Contract No. 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, A Joint Venture, in the amount of $1,571,500 for essential signs and structures

along McDonnell Road, North and South Link Roads and the Upper and Lower Terminal Loop Roads. Funds will be transferred from Management Reserves and another project.

Mr. Kardos explained that this modification incorporates into Contract No. 5900D roadway signs and their supporting structures along McDonnell Road, the North and South link roads and the upper and lower level terminal loop roads.

Funding sources will be the Master Plan Program Reserve and a budget transfer from Contract No. 5601A, a utility relocation contract.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost was included in our quarterly forecasts.

The 19% MBE and 13% WBE participation level for this modification is very close and some aspects compare favorably with the base contract's 20% MBE and 9% WBE subcontracting goals.

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Modification No. 4 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - $1,483,441

No. 00-0259

Resolution approving Modification No. 4 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation, in the amount of $1,483,441 for work related to design changes to facilitate construction. Funding sources are the contract's contingency budget, budget transfer from the International Terminal Complex Projects, and budget underruns within the project.

Mr. Kardos explained that this modification is a compilation of changes covering work associated with the fire alarm system interface in the Communication Center and Aviation Archives, the infrastructure interface in the International Terminal, Boarding Area A and South Garage. Additional miscellaneous changes to the facility systems are also included in the International Terminal, North Connector and Boarding Area A.

The changes have been reviewed and approved by the Master Plan Advisory Board and costs have been included in our cost forecasts presented in the quarterly reports. Funding will be provided by budget transfers, CIP funds, underruns within the project and contract contingency.

In the area of MBE/WBE subcontractor participation both the cumulative totals of 12.3% MBE / 10.2% WBE participation for the modified contract, and 9.8% MBE /

13.8% WBE participation for this particular modification exceed the 8% MBE / 2% WBE goals established for the base contract.

Commissioner Strunsky noted that this represents only a $35,000 increase in Master Plan costs.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

4. Modification No. 7 of Professional Services Contract No. 5510 - New Boarding Area A - Gerson/Overstreet, Architects, Inc. - $800,000

No. 00-0260	Resolution authorizing Modification No. 7 of Professional Services Contract No. 5510, New Boarding Area A, with Gerson/Overstreet, Architects, Inc., in the amount of $800,000. Funding for this Modification will be provided by the Airport's Capital Improvement Program (CIP) Budget and Program Reserve.

Mr. Kardos explained that this agenda item requests authorization to fund a modification to Contract No. 5510 with Gerson/Overstreet to provide services for the performance of plan checking services assisting Facilities Operations and Maintenance code enforcement section, utility extension design in Boarding Area A, work with hotel teams during the proposal phase, design development for the VIP lounge in Boarding Area A, and extended engineering support during construction.

Funding will be provided by the Airport's Capital Improvement Program budget for all services except the engineering support during construction which will be financed from program reserves.

Costs were forecasted in our quarterly reports and the modification has been reviewed and approved by the Professional Services Fee Review Committee.

The contract's current performance at the 11.7% MBE and 4.5% WBE subconsultant participation levels falls short of the base contract's established goals of 17% and 5% respectively. The Human Rights Commission and Airport staff are working with Gerson/Overstreet to improve these figures.

Commissioner Crayton asked why we fell short of those goals.

Mr. Kardos responded that in the plan checking services it is difficult to forecast the particular discipline that will be needed during the performance of the contract. The HRC and Airport staff are working with Mr. Overstreet to see how we can compensate for the imbalance.

Item No. 5 was moved by Commissioner Strunsky and seconded by

Commissioner Crayton. The vote to approve was unanimous.

5. Modification No. 3 of Professional Services Contract No. 5500.5 - Material Testing and Inspection for the International Terminal General Construction and AirTrain Maintenance Facility and Remote Stations - Consolidated Engineering Laboratories - $340,000

No. 00-0261	Resolution approving Modification No. 3 of Professional Services Agreement Contract 5500.5 with Consolidated Engineering Laboratories, covering additional material testing and inspection for the International Terminal General Construction and AirTrain Maintenance Facility and Remote Stations. Funding for this modification will come from Program Reserve, and transfer from Contract No. 5701.

Mr. Kardos explained that this contract covers testing and special inspection services for the new International Terminal Building (Task 1) and the AirTrain Maintenance Facility (Task 2).

The proposed modification is to increase funding for both tasks. Additional services for the International Terminal include testing and inspection of building changes related to the Federal agencies, Aviation Archive and the future police station.

The additional work in Task 2 includes the testing and inspection of AirTrain stations along McDonnell Road that were not part of the original scope.

Funding will be provided by Program Reserves and a budget transfer from the AirTrain Maintenance Facility project.

The base contract's MBE/WBE participation levels of 30% / 21% respectively for Task 1 and 15% / 10% respectively for Task 2 will be maintained through the modified contract.

The proposed modification has been reviewed and approved by the Professional Services Fee Review Committee and the cost has been part of our quarterly report.

Commissioner Strunsky assumed that this is time and materials and based upon the compilation of hours multiplied by previously agreed upon rates.

Mr. Kardos responded that it is.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner

Mazzola. The vote to approve was unanimous.

6. Authorization to Issue the Final Request for Qualifications and Proposals for the Airport Hotel Project

No. 00-0262 — Resolution approving the final specifications for the Airport Hotel Project and authorizing staff to issue the final request for qualifications and proposals.

Mr. Bob Rhoades, Deputy Director, Business explained that in May 1999 the Commission approved the design/build approach for a new on-Airport hotel. Prior to May 1999 there were a series of actions regarding the specifications and the approach to this program. In July 1999 the Commission approved the specifications and authorized the issuance of a draft RFQ/P. In October the Airport held an informational session with the hotel community.

Between October and May 2000, with the assistance of consultants Leigh Fischer, Ernst and Associates and counsel Orrick, the final components of the design/build approach were completed.

This item seeks approval to issue the final specifications for the hotel project and authorizes staff to issue the final request for qualifications and proposals.

This project is the development, design, construction and operation of a full service hotel located on approximately on 8.2 acres of land at the former Hilton site. This will be a 20 year term with a five year option contingent upon the hotelier meeting certain financial objectives.

The scope includes a minimum of 550 guest rooms with amenities, services and customer/employee parking commensurate with a four star rating as defined by the Mobile Travel Guide, plus the AirTrain station that will serve it.

The Airport will finance 100% of the costs for the real property improvements. The current market estimates this to be between $116 and $133 million. Actual construction costs will be determined by the economic conditions at the time the construction contract is bid.

The design/build specifications include MBE goals of 28% and WBE goals of 10%. The DBE participation goal for the concession portion of the program will be determined once we receive proposals. However, our goal is 30% participation.

The hotelier has the option to assign up to 70% of the project to a development entity. They would retain 30%. However, the Commission would determine if the development entity meets the criteria, particularly if it has sufficiently capitalized to meet the project needs, as well as provide all of the bonds and fees that the hotelier would be required to submit.

Commissioner Strunsky asked if the actual contractual obligations, such as option to terminate and amortization, will be negotiable at a later time.

Mr. Rhoades explained that this is the RFQ/P. This issuance will seek to determine how many entities will actually qualify to participate in the program. It is not final. The qualifications come first, followed by the proposal.

Commissioner Strunsky felt it was important to move ahead.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

7. Authorization to Accept Proposals for the Airport Advertising Program

No. 00-0263 — Resolution approving the lease specifications and authorizing staff to accept request for proposals for the Airport Advertising Program.

Item No. 8 was removed from the calendar.

8. Reimbursement to Tenants in the New International Terminal Building Infrastructure Cost - $2.1 million

Resolution authorizing the reimbursement of certain building infrastructure costs to tenants in the New International Terminal Complex in the amount of $2.1 million.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 9 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Modification No. 3 of Professional Services Contract No. 5500.4 - Material Testing and Inspection for Concourse H/AirTrain Station - Smith-Emery Company and ISI, A Joint Venture - $774,925

No. 00-0264 — Resolution approving Modification No. 3 to Contract 5500.4, with Smith-Emery Company and ISI, A Joint Venture, for professional services covering additional material testing and inspection for Concourse H/AirTrain Station. Funding for this modification will be provided by a transfer from Contract 5670 CIP funds and the Airport's contribution to the BART/SFO Extension.

Item No. 10 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

10. Modification No. 4 to Contract No. 5511A - Boarding Area A, Aircraft Apron Ghilotti Brothers Construction, Inc. - $383,038

No. 00-0265 — Resolution approving Modification No. 4 to Contract 5511A, Boarding Area A, Aircraft Apron, to provide construction services for completion of site utilities at the North Cargo Facility. The additional construction fee of $383,038 will be transferred from Program Reserves.

Item No. 11 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

11. Modification No. 1 for Professional Contract No. 5950 - Improvements to Central Plan Project - Ajmani & Pamidi, Inc. - $61,184

No. 00-0266 — Resolution approving Modification No. 1 for Professional Contract 5950, Improvement to Central Plant provides additional design services to complete the modification of the mechanical system necessary for chiller and boiler operations. The additional design services fee of $61,184 will be transferred from Program Reserves.

Item No. 12 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

12. Award Contract 4159 - As-Needed Security Fencing - Central Fence Company - $297,044

No. 00-0267 — Resolution awarding Contract 4159, As-Needed Security Fencing to the lowest responsive, responsible bidder, Central Fence Company, in the amount of $297,044.

Item No. 13 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

13. Modification No. 1 to Contract 5500S - Aviation Museum - Lem/MH Construction, A Joint Venture - $407,310

No. 00-0268 — Resolution approving Modification No. 1 to Contract 5500S, Aviation Museum, with Lem/MH Construction, A Joint Venture, in the amount of $407,310 to facilitate design changes to special systems components and additional built-in furniture needs. Funding shall be provided by

project contingency and Capital Improvement Program Budget.

Item No. 14 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

14. Authorization to Issue a Request for Qualifications and Proposals for Contract 4072 - Professional Engineering Services - Photogrammetric Engineering

No. 00-0269 — Resolution approving the scope, budget, and schedule for Contract 4072, Professional Engineering Services - Photogrammetric Engineering, and authorizing the Director to request qualifications and proposals.

Item No. 15 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

15. Amendments to Commercial Aircraft Storage Fees and Limousine Operator's Parking Fees

No. 00-0270 — Resolution approving amendments to commercial aircraft storage fees and limousine operator's parking fees.

Item No. 16 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

16. Memorandum of Understanding Between the County of San Mateo Sheriff Department and the Airport - $25,000

No. 00-0271 — Resolution approving the Memorandum of Understanding (MOU) between the County of San Mateo Sheriff Department and the Airport Commission for the processing of Airport parking citations in the amount of $25,000.

Item No. 17 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

17. Memorandum of Understanding with the San Francisco Aeronautical Society

No. 00-0272 — Resolution authorizing the Director to enter into a Memorandum of Understanding with the San Francisco Aeronautical Society.

Commissioner Strunsky asked if we are currently involved with the Aeronautical Society.

Mr. Martin explained that the Aeronautical Society is a non-profit involved in rasing funds for the Museum. It is clearly a "friends" type organization. No Airport funds are involved.

Item No. 18 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

18. Proposed Exhibitions Program Schedule

No. 00-0273 Resolution approving Exhibitions Schedule for Fiscal Year 2000-2001.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Director informed the Commission that it was not necessary to go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:29 AM.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

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MINUTES

August 1, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
August 1, 2000

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G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	4.	Modification No. 12 to Contract 5510E - Boarding Area A General Construction - Hensel Phelps	00-0277	6-7
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	6.	Award Contract 3601A - Roadway Lighting Improvements - Bass Electric	00-0279	8

I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
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AIRPORT COMMISSION MEETING MINUTES

August 1, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, Vice President Hon. Michael S. Strunsky Hon. Linda S. Crayton Hon. Caryl Ito
Absent:	Hon. Henry E. Berman, President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 18, 2000 were adopted unanimously.

No. 00-0274

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Wayne W. Davis

No. 00-0275

Mr. John Martin, Airport Director said that Wayne Davis was one of the original Duty Managers. He began his Airport career in 1971 as an Airport Police Officer. He was a dedicated and loyal employee, and excelled in his position as Duty Manager.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Retirement Resolution for Mr. Philip A. Meginnes

Mr. Martin explained that Mr. Meginnes also served as Duty Manager. He began his career with the Airport in March 1966 as a Police Officer and then in the Airfield Safety Office. He was well known and well liked by his fellow employees. He served with dedication, loyalty and professionalism. He will be missed.

* * *

E. DIRECTOR'S REPORTS:

3. Master Plan Quarterly Update

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that through the second quarter of 2000, the Airport awarded $2.567 billion, or 91% of the program budget excluding allowable contingency and program reserve. In terms of construction only, a total of $2.054 billion, or 92% of the budget has been awarded through the reporting period. There were four new construction contract awards during the last quarter totaling $12 million. Total awards during this quarter amounted to $69 million including contract modifications in both construction and professional services.

Over the next 6 months we anticipate awarding approximately $6 million in construction contracts for a total.

Invoices approved since the last report totaled $113 million, bringing the total invoiced amount to $2.299 billion, or 81% of the total current budget.

Contingency usage allocated to date to change orders (CO) and proposed change orders (PCO) is $154 million, or 105% of the $147 million baseline contingency budget. Contingency allotted to CO's, PCO's and trends is $160 million, or 109% of the baseline contingency budget.

Current forecast of Master Plan expenditures, excluding program reserves, through program completion is $2.454 billion, an $18 million increase relative to the previous report. This growth reflects the settlement of changes that were in negotiations. The current program reserve budget is $61 million. The forecast for program reserve at completion is $22 million.

The total program reached 86% completion with 90% design completion and 85% construction completion. The total Master Plan program, excluding the facilities to be completed after September 26, 2000, reached 96% completion.

The International Terminal Building is 95% complete with completion scheduled for August 2000. Both Boarding Areas A and G are substantially complete with punchlist work proceeding. The baggage handling system is 94% complete with completion scheduled for August 2000.

Elevated circulation roadways and the inbound/outbound ramps are at 93% and

91% respective completion levels, with completion scheduled for August with the exception of some sign structures to be installed in early September.

The AirTrain operating system supply contract continues in its construction phase with an overall completion level of 31%. The forecast for full passenger service remains in late December 2001 with some mitigation measures introduced later in this program.

The tenant improvement work continued this quarter with construction completion scheduled for August and September 2000.

The Security Systems contract is 78%, the facility support systems contract is 80%, and the Terminal Management contract is 92% complete. Project completion is forecast for August 2000. The acceptance testing of the Fire/Safety systems started during the reporting period, with the Temporary Certificate of Occupancy expected in August.

In the area of job safety, our actual rate of 8.93 for recordable incidents is below the Federal rate of 9.50. Our lost time incident rate of 3.93 is lower than the national average of 4.40. The MBE/WBE participation is 23.0% / 5.0% respectively on the program level. A breakdown by the major sub-areas is presented in the report.

In summary, the Master Plan Implementation Program is proceeding to meet the scheduled completion dates while remaining within the overall program wide budget.

Commissioner Strunsky said that he was concerned about the Light Rail schedule. What are we doing to make sure that it is up and running in December 2001?

Mr. Kardos responded that the current contractor forecast is that the schedule will over run by about 30 days.

At this point we are looking at potential mitigation measures. Potential recovery is in their approach to the delivery of the system. The control system and various software interfaces are being tested at their Pittsburgh test track. All of the components will be delivered fully tested to the site. This will shorten the on-site testing period.

Commissioner Ito was pleased to hear that our injury rate is below the national average. She noted that the OCIP insurance costs have shown a higher trend over the forecasts and asked how that relates.

Mr. Kardos responded that the premiums for the Owner Controller Insurance Program are based on the gross amount of construction costs ... two percent of construction cost and one half percent of on-site professional services. Whenever construction costs increase, OCIP premiums automatically increase.

Commissioner Strunsky noted that we are $40 million over the baseline

construction contingency budget, so we are $44 million over the construction budget. Even though that is a large number, 1.5% is not a big percentage.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito thanked staff on the marketing plan to support our new International Terminal tenants. She asked for another update to see what the trends are after the opening.

Mr. Martin responded that monthly reports will be done initially.

Commissioner Ito thanked staff for the outreach that was done for concessions.

Commissioner Strunsky said that he continues to be very concerned with the problems our concessionaires are having with respect to construction costs. He asked that the Commission be provided with a briefing at each meeting.

Mr. Martin said that he has a meeting with the new food and beverage tenants on Monday. We are taking every possible step within the terms of the lease to assist them financially and to insure that they are financially viable. The next calendar will include an item regarding food and beverage. He will also provide off calendar memos every two weeks to keep the Commission informed through the end of October.

Commissioner Crayton applauded Ms. Lee on the Airport's representation at the Third Street Fair providing information on Airport employment opportunities. In addition, the Airport was at a smaller venue the week before. She noted that Ms. Crumpler has also been to the Black Chamber of Commerce on this issue as well.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 12 to Contract No. 5510E - Boarding Area A - General Construction - Hensel Phelps Construction Co., Inc. - $5,214,114

No. 00-0277 — Resolution approving Modification No. 12 to Contract 5510E, Boarding Area A - General Construction, with Hensel Phelps Construction Co., Inc., in the amount of $5,214,114 for work related to transferred scope from other projects, design changes to facilitate construction, change impact mitigation, and unanticipated conditions. Funding sources are budget transfers from other

contracts, Public Art funds, non Master Plan CIP funds, and program reserve.

Mr. Kardos explained that the proposed modification covers transferred scope from other projects, such as utility extensions to tenant leaseholds, remedial work for the deleted art work, and miscellaneous casework and furnishings, changes addressing interface coordination issues and conflicts in construction documents, unforeseen site conditions and minor acceleration to mitigate change impacts.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost was forecasted in our quarterly reports.

Funding will be provided by budget transfers and program reserves.

The base contract's 12.3% MBE and 2.2% WBE participation levels remain unchanged for the modified contract.

Current contract performance is at the 12.6% MBE and 2.6% WBE participation levels, slightly exceeding the original goals.

Commissioner Strunsky asked if we are providing the same assist to concession tenants as we are to airline tenants.

Mr. Kardos responded that we are.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. Modification No. 8 to Contract No. 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, A Joint Venture - $1,695,000

No. 00-0278 — Resolution approving Modification No. 8 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, A Joint Venture, in the amount of $1,695,000 for landscaping in the median strip between the inbound and outbound roads in front of the New International Terminal. Funds will be transferred from Contract 5001, Master Plan Landscaping Project.

Mr. Kardos explained that this modification incorporates into Contract No. 5900D the landscaping and related irrigation system installation in the median of the inbound/outbound roadways and the landscaping tasks associated with the integral planters in front of the new International Terminal.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost has been part of our cost forecasts presented in the quarterly reports.

Funding will be provided by a budget transfer from the Master Plan landscaping project with no impact on the baseline budget.

The base contract's 20% MBE and 9% WBE participation levels remain unchanged for the modified contract. With this modification the aggregate participation will be at the 19.7% MBE and 12.7% WBE levels.

Within this particular modification the MBE/WBE participation is 36% / 2% respectively.

Commissioner Crayton asked if the landscaping was originally awarded to them.

Mr. Kardos responded that originally the landscaping budgets were assigned to individual projects, such as the roadways, buildings, etc. The Airport then decided to develop a campus wide landscaping master plan so that the landscaping would be consistent. The landscaping budgets were placed into an aggregate master landscaping budget.

The median portion that this modification addresses falls into the overall footprint of the Myers/Kulchin-Condon construction. In order to meet the opening deadline, the most expedient way was to allocate this task to the contractor. Thirty four percent of the work is being done by Marinship, and 3.2% by a WBE.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Award of Contract No. 3601A - Roadway Lighting Improvements - Bass Electric, Inc. - $2,632,446.25

No. 00-0279	Resolution awarding Contract 3601A, Roadway Lighting Improvements - Phase I, to the lowest responsive, responsible bidder, Bass Electric, Inc., in the amount of $2,632,446.25.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that this is a one year, as-needed contract to improve lighting wherever needed on the Airport surface roads.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 through 12 were moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Modification No. 1 to Contract No. 5606.1 A/E - Professional Services for Permit

Bureau Relocation / Police Substation / Police Main Station - Corlett, Skaer and DeVoto Architects/Joseph Chow and Associates/Marie Fisher Interior Design, An Association - $78,862

No. 00-0280 — Resolution approving Modification No. 1 to Contract 5606.1 A/E with Corlett, Skaer and DeVoto Architects/Joseph Chow and Associates/ Marie Fisher Interior Design, an Association, for an increase in professional service fees in the amount of $78,862. Funding will be provided by the Airport's Capital Improvement Program budget and by Management Reserve.

8. Modification No. 2 to Contract No. 5600.4 - Material Testing & Special Inspection Kleinfelder, Inc. - $64,900

No. 00-0281 — Resolution approving Modification No. 2 to Contract 5600.4 with Kleinfelder, Inc., for additional testing and inspection services for the South and North International Parking Garages and the Vehicle Bridge in the amount of $64,900.

9. Authorization to Execute Federal Aviation Administration Leases for the Operation of SOIA Localizer and Approach Light System with Sequence Flasher II (ALSF-2), Runway 28R

No. 00-0282
No. 00-0282A — Resolution authorizing the Director to execute Federal Aviation (FAA) Leases No. DTFA08–00L-19973 for the operation of SOIA Localizer and DTFA08-00-L-20265 for the operation of Approach Lighting System with Sequence Flasher II (ALSF-2), Runway 28R.

10. Reimbursement to United Airlines, Inc. for Parking Access Control Equipment Related to the Airport's Development of Lot DD - $335,000

No. 00-0283 — Resolution approving reimbursement to United Airlines in an amount not to exceed $335,000 for purchase and installation of parking access control equipment related to the Airport's development of Lot DD.

11. Bid Call - Contract No. 3836 - West Field Security Checkpoints - Year 2000/2001

No. 00-0284 — Resolution approving the scope, budget, and schedule for Contract 3836, West Field Security

Checkpoints - Year 2000/2001, and authorizing the Director to call for bids when ready.

12. Bid Call - Contract No. 4310 - Expansion Joint Repair - Lot DD Parking Garage

No. 00-0285 Resolution approving the scope, budget, and schedule for Contract No. 4310, Expansion Joint Repair - Lot DD Parking Garage, and authorizing the Director to call for bids when ready.

Commissioner Strunsky noted that this was barely two years old.

Mr. Kardos responded that this is a design related defect. It is the expansion joints between the various portions of the facility. It is errors and omissions item.

Mr. Martin said that the Department of Public Works served as the architect and designer.

Mr. Kardos added that we do not have any recovery possibility with DPW.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. Larry Tract representing Lathrop/S.J. Amoroso on Contract No. 5750B, North Field Cargo Facility, said that the Commission is about to go into closed session to determine potential legal issues and litigation. The joint venture does not wish to file a claim, however, per the mandates of specifications 00700, paragraph 12, they were advised to.

On June 26, 2000 the claim was formally submitted and was updated on July 26, 2000. Work is being done to attempt to ascertain any impacts. They hoped that litigation would be a non-issue. His clients would like to seek any available administrative remedies.

Mr. Tract complimented the Airport on what it has accomplished, and Mr. Kardos for his hard work.

He hoped that the Commission would consider not having a closed session.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:34 AM and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding Claim by Dillingham Construction, N.A., Inc. on Contract No. 5500J - North Connector Project, and Claim by Lathrop/D.J. Amoroso on Contract No. 5750B - North Field Cargo Facility; and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:56 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:57 AM.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

August 15, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
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JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
August 15, 2000

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A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Michael S. Strunsky Hon. Caryl Ito
Absent:	Hon. Larry Mazzola, Vice President Hon. Linda S. Crayton

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:05 AM and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled GTE Mobilnet of California vs CCSF, San Mateo Superior Court No. 407-468; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation, including, but not limited to the settlement of an unlitigated claim of Rosendin Electric; and the settlement of an unlitigated claim by Tutor-Saliba for the recovery of property damage.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:30 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 1, 2000.

No. 00-0286

* * *

D. DIRECTOR'S REPORTS:

1. Annual Report on Construction Workforce Demographics

Ms. Theresa Lee, Deputy Director, Administration said that we began collecting construction employment data in 1996 from the prevailing wage certified payroll. Information is also derived from our License and Permit badge data base.

The current demographics of the over 15,000 construction employees who have worked on the Airport are: 54% European Americans, 9% Black, 3% Asian, 30% Hispanic, 2% American Indian, and 2% other.

Ten percent are San Francisco residents.

Under the Project Stabilization Agreement non-core work force are required to be hired through the San Mateo Construction and Trades Council.

A significant number of employees who indicated a San Francisco residence have moved outside San Francisco.

Gender demographics reflect 3% female. Statewide labor force for female construction workers average between 1.2% and 2%.

The Employment and Community Partnership Office is working closely with Local 3 Operating Engineers, Local 377 Iron Workers and the Young Community Developers in the Bayview Hunter's Point area on construction trainee programs to facilitate participant success in entering construction apprenticeship work.

We continue to work with other community based organizations as well on improving referrals to various contractors and union halls.

Commissioner Ito asked if we have Bay Area stats on the labor pool for women in the trades.

Ms. Lee responded that it has been difficult to obtain information area by area but she will report back to the Commission.

Commissioner Ito asked if specific unions were being targeted for partnerships.

Ms. Lee responded that we are targeting the Operating Engineers and Iron Workers who have expressed interest, along with Young Community Developers.

2. Annual Workforce Report for FY 1999-2000

Ms. Lee explained that over the last two years Airport Human Resources has completed nearly three times the normal number of hiring transactions. These transactions include filling new positions, backfills, promotions and reclassifications.

The demographics are as follows: minorities represent 66% of all hires, women represent 43%, and San Francisco residents represent 41%.

We have instituted aggressive approaches such as streamlining the background check to bring new employees on board faster.

Human Resources continues to work closely with community based organizations in recruitment, especially in high volume positions such as custodial classifications, secretarial positions and stationary engineers.

3. Airport Equal Employment Opportunity Report and Plan, FY 2000-01

Ms. Lee explained that in 1999 an Equal Employment Office (EEO) was established, separate from the Human Resources office, to place more focused emphasis in addressing work environment issues.

The office has refined and established Complaint and Mediation Procedures. Activities during the year include developing and implementing a department wide climate survey to assess employee's perception of the work environment. Action plans have been developed to address those areas that need improvement.

The EEO also developed and administers surveys of community based organizations regarding their experience in referring clients to work at the Airport, both in construction and general Airport Commission and tenant employment.

The EEO developed and administers surveys to Airport tenants on their EEO training and needs.

They administer and manage on-going EEO training to Commission employees, specifically targeting supervisors and managers.

The Airport's objective is to insure that everyone has an equal opportunity to compete for employment. In reviewing its employment practices and policies the Airport will assess whether it should modify its outreach efforts, whether job classifications are appropriately job related, or whether it should establish training or internship programs or other steps to insure equal employment opportunity.

Commissioner Ito commended Ms. Lee on her efforts. She asked when the Commission will receive an overview of responses to the employee climate

survey. Also, what type of planning is going on regarding periodic review for on-going managers and staff? She understood that Ms. Rosales was supposed to investigate stronger language in contracts with regard to training and cultural awareness.

Ms. Lee said that she will work with legal counsel regarding such language. We are in the process of developing a plan for a comprehensive development training center that will not only provide requisite and on-going training for Commission employees, but can also be used for our tenants.

The client survey has been completed and a report has been prepared. Gloria Louie, Director of EEO and our Diversity Program, has met with the key sections where issues were identified. Action plans and time lines have been developed. A summary report will be provided to the Commission.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 25 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corp/Perini Corp/Buckley & Co. - $10,307,873

No. 00-0287 — Resolution approving Modification No. 35 to Contract 5500E, International Terminal General Construction with Tutor-Saliba Corp/Perini Corp/ Buckley & Co., Inc. A Joint Venture, in the amount of $10,307,873 for work related to design changes to facilitate construction and change impact mitigation. Funding sources are budget transfers and Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification covers contract growth resulting from design changes to facilitate construction, changes requested by Federal agencies, and scope transfers from other projects.

Funding will be provided by budget transfers from other Master Plan projects, the Airport's Capital Improvement Program budget, contract contingency and program reserve.

The proposed modification has been reviewed and approved by the Master Plan

Advisory Board and the costs have been included in our quarterly forecasts.

The aggregate MBE/WBE subcontractor participation through this modification will be at the 18.1% MBE and 5.6% WBE participation levels, considerably in excess of the base contract's combined 10.3% subcontracting goal.

Commissioner Strunsky asked if we are proceeding with the errors and omissions claim?

Mr. Kardos responded that we are preparing for it. The net cost could be reduced by $2 - $3 million.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Modification No. 6 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - $2,500,000

No. 00-0288	Resolution approving Modification No. 6 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corp., in the amount not to exceed $2,500,000 for work related to scope transfers and design changes to facilitate construction. Funding sources are the current contingency budget and budget transfers from Contract 5500E.

Mr. Kardos explained that this modification covers changes necessitated by the interface coordination between the base building and facility systems packages and changes required for the fire alarm system.

Funding sources are budget transfers from Contract No. 5500E and contract contingency. Work will be performed on a time and materials basis with the authorized amounts representing not to exceed limits.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost was part of our forecast presented in the quarterly report.

Within this modification, the MBE/WBE subcontractor participation will be at the 9.8% and 13.8% levels respectively bringing the cumulative totals of the contract to 12.3% MBE / 12.2% WBE participation, both well exceeding the base contract's 8% / 2% respective goals.

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Modification No. 11 to Contract No. 5520E - Boarding Area G General Building Construction - Tutor-Saliba Corp/Perini Corp/Buckley & Company - $1,602,605

No 00-0289

Resolution approving Modification No. 11 to Contract 5520E, Boarding Area G General Building Construction with Tutor-Saliba Corp/ Perini Corp/Buckley & Co., Inc. in the amount of $1,602,605 for tenant infrastructure work in the International Terminal Building; and work related to miscellaneous changes, scope transfers and design revisions in Boarding Area G. Funding sources are the Tenant Utilities and Infrastructure Budget, budget transfers from 5515, Construction Contingency, and Program Reserve.

Mr. Kardos explained that this modification covers tenant infrastructure work in the International Terminal building, scope transfer from the Security and Special Systems project and design revisions to facilitate construction.

Funding will be provided by budget transfers from the Security and Special Systems project and the Airport's Capital Improvements Program budget, as well as program reserve and contract contingency.

Almost all of the work covered by this modification consists of electrical, mechanical and concrete work performed by the prime contractor and the base contract's the originally listed subcontractors who are non-MBE/WBE organizations. Consequently, this modification provides for a limited 0.7% MBE and 0% WBE participation, bringing the overall contract performance to a combined 18.4% MBE/WBE participation level, slightly lower than the 18.9% combined goal established for the base contract.

Item No. 7 was moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

7. Modification No. 2 to Contract No. 5600C - South International Parking Garage Tutor-Saliba Corp/Perini Corp/Buckley & Company, Inc. - $1,050,180

No. 00-0290

Resolution approving Modification No. 2 to Contract 5600C, South International Parking Garage, with Tutor-Saliba Corp/Perini Corp/ Buckley and Co., Inc. in the amount of $1,050,180 for additional work related to project interfaces, added scope, unforeseen site conditions, and design changes to facilitate construction. The funding sources are Program Reserve, budget transfers, and the Airport's "up to $200 million" contribution to the BART-SFO Extension Project.

Mr. Kardos explained that this modification provides for changes related to project interface coordination issues, operational change requirements, scope transfer from the Concourse H project, unforeseen site conditions and design

changes to facilitate construction.

Funding will be provided by budget transfers from Concourse H, the Airport's up to $200 million contribution to BART's SFO extension, and program reserve. The changes have been reviewed and approved by the Master Plan Advisory Board and the cost has been included in our forecast presented in the quarterly report.

Ninety-seven percent of the work covered by this modification includes excavation, foundation and electrical work performed by the prime contractor and the originally listed subs. Consequently, this modification provides for a limited 2.4% MBE and 0% WBE participation levels. In addition, two of the original WBEs have gone out of business during the duration of the contract.

With this modification, the aggregate MBE/WBE participation will be at the 22.1% MBE / 0.2% WBE levels, deviating from the base contract's 18% MBE and 3% WBE subcontracting goals.

Item No. 8 was moved by Commissioner Berman and seconded by Commissioner Strunsky. The vote to approve was unanimous.

8. Modification No. 3 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - $674,369

No. 00-0291	Resolution approving Modification No. 3 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of $674,369 for work related to design changes to facilitate construction. Funding sources are current budget underruns and contract contingency, transfers from Contract No. 5500E, and the Capital Improvement Program budget.

Mr. Kardos explained that the proposed modification incorporates into the Security System contract changes triggered by scope transfers from the International Terminal Building, design additions and changes initiated by the Federal agencies.

Funding sources are budget transfers from other contracts, Capital Improvement Program budget, and budget underruns within the project.

The changes have been reviewed and approved by the Master Plan Advisory Board.

Within this particular modification, the MBE and WBE participation will be at the 22% / 17% levels respectively ... well exceeding the base contract's 8% / 2% respective goals. The cumulative totals for the modified contract will be at the 8% MBE and 3% WBE participation.

Item No. 9 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

9. Modification No. 8 to Contract No. 5515C - Security and Special Systems - Terminal Systems - SASCO Electric - $482,776

No. 00-0292 — Resolution approving Modification No. 8 to Contract 5515C, Security and Special Systems - Terminal Systems, with SASCO Electric in the amount of $482,776 for work related to scope transfers and design changes to facilitate construction. Funding sources are the Capital Improvement Program budget, Program Reserve, and Contract 5515C Project budget underrun.

Mr. Kardos explained that the scope of this modification includes scope transfers from the International Terminal Building and the AMPCO facility, miscellaneous conduit work and trailer site relocation.

Funding sources are budget underrun and contingency within this contract, program reserve, and budget transfers from Capital Improvement Program and Contract No. 5500E.

The modification has been reviewed and approved by the Master Plan Advisory Board.

The original contract's 8% MBE and 2% WBE participation goals will be maintained for the modified contract.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 10 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

10. Approval of New International Terminal Building Infrastructure Cost Reimbursement to Tenants

No. 00-0293 — Resolution authorizing the reimbursement of certain building infrastructure and construction costs to tenants in the New International Terminal Complex due to unforeseen circumstances.

Mr. Bob Rhoades, Deputy Director Business explained that the food and beverage tenants, as well as retail and airline tenants in the new International Terminal have incurred significant design and construction costs.

Staff reviewed these costs and found that they fall into two categories. The first is the cost attributed to work performed by the tenants that is typically a landlord

responsibility, such as electrical wiring to the main breakers, emergency management and control system work, fire alarm and fire protection, and some mechanical infrastructure.

Staff has determined that collectively approximately $500,000 was undertaken by the food and beverage tenants for this type of work.

The second category where tenants have incurred a significant cost is due to several factors ... the delay in completion of the base building, certain site conditions which occurred but were not identified earlier in the base building design, and special work that the tenants had to perform on sole source contracts, particularly associated with the Special Systems.

This week staff is reviewing the exact nature of this impact with each of the food and beverage tenants. The best estimate at this time is about $3.5 million for this component.

Tenants will be asked to identify three categories to be considered for reimbursement ... site conditions where the actual construction is different from that shown on the base building plans and where that difference has resulted in increased cost for their construction; site conditions where they have been required to invest in unusual infrastructure costs; and, site conditions where the design and/or construction of the base building imposes unusual costs beyond those that could be reasonably anticipated in those situations.

Commissioner Strunsky said that we need to do our best to get these dollars to our tenants as quickly as we can.

Mr. Rhoades said that the $125 rental credit that all of these tenants are entitled to is being distributed this morning.

Mr. Rhoades said that future meetings will address retail tenant and airline situations.

Commissioner Ito thanked Mr. Rhoades for expediting the reimbursements. She asked if the planned delay of the terminal opening will also extend to a planned delay for the tenants.

Mr. Rhoades said that staff is assessing the direct cost to tenants associated with that delay. A request for tenant reimbursements for those direct costs will come before the Commission at a future meeting.

Item No. 11 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

11. Modification No. 3 to Professional Services Contract No. 7021.3 with HNTB for Airfield Development Planning - $1,100,000

No. 00-0294 Resolution approving Modification No. 3 to

Professional Services Contract 7021.3 with HNTB for Airfield Development Planning for the Runway Reconfiguration Program in an amount not-to-exceed $1,100,000.

Mr. Kevin Kone, Assistant Deputy Director, Airfield Development Bureau said that this modification will include a report on air space interactions between SFO, Oakland Airport and San Jose Airport as requested by the Metropolitan Transportation System in the Regional Airport System Plan. It will also include the tunnel connection between San Francisco and Oakland Airports as requested by the Regional Airport System Plan, and the Third Street Bridge Crossing between San Francisco and Oakland and the effect it would have on both airports.

Commissioner Strunsky asked for a budget, similar to the Master Plan budget, in order to see where we are going.

Mr. Martin responded that staff is working on the overall budget for the Airfield Development Program. The Commission will be provided with a report on the up front soft cost budget.

Commissioner Ito asked what the time line is for this work.

Mr. Kone responded that this modification will go into next summer, hopefully taking us into the initial release of the draft Environmental Impact Statement.

Item No. 12 was moved by Commissioner Ito and seconded by Commissioner Berman. The vote to approve was unanimous.

12. Modification No. 4 to Smarte Carte's Lease No. 91-0020

No. 00-0295 — Resolution approving Modification No. 4 to Smarte Carte's lease to increase the cart rental rate from $1.50 to $2.00, pay Smarte Carte $487,000 annually for providing a free cart program in the Rental Car Facility, and an equal division of the incremental revenue increase between the Airport and Smarte Carte.

Mr. Rhoades explained that when the Rental Car Facility (RAC) opened last year we did not know what type of cart usage would be required. In accordance with Commission Resolution we are reimbursing Smarte Carte 70 cents per cart to use the RAC. The approximate $487,000 cost of the free cart program is significantly lower than our original estimate of $1.1 million.

This modification insures continuance of the free cart program throughout the last year of the Smarte Carte contract, and it allows Smarte Carte to raise the fee from $1.50 to $2.00. In return, Smarte Carte has agreed to provide a new fleet of carts for the entire Airport complex. The existing carts are not equipped

with bumpers, which has caused considerable damage in the terminal complex. The new fleet addresses this problem.

Commissioner Ito asked if the carts were to be used in the advertising program.

Mr. Rhoades responded that cart advertising was not included in the modification to the advertising program.

Commissioner Strunsky asked if the new carts address the compatibility issue with our Light Rail System.

Mr. Rhoades responded that staff is still investigating that issue. Staff is evaluating a cart by a different vendor being used in New Jersey on their rail system. In either case, the carts will be retrofitted with hand brakes.

Competitors for the new contract will have to provide a prototype that will accommodate our Light Rail System. That new contract will commence mid 2001, about six months prior to the opening of the Light Rail System.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 13 and 14 and 16 through 23 were moved by Commissioner Ito and seconded by Commission Strunsky. Item No. 15 was removed from the calendar.

13. Modification No. 1 to Contract No. 5706A - AirTrain Domestic Terminal Stations Dennis J. Amoroso Construction, Inc. - $5,806,618 Novation of Work

No. 00-0296	Resolution approving an increase to the construction contract in the amount of $5,806,618 for novation of the elevator and escalator work for the AirTrain Domestic Terminal Stations. Funds are available in the existing budget with no impact to the Master Plan Baseline Budget.

14. Modification No. 7 to Contract No. 5500J - North Connector Package Construction - Dillingham Construction Company - $370,382

No. 00-0297	Resolution approving Modification No. 7 to Contract 5500J, North Connector Package Construction with Dillingham Construction Company, in the amount of $370,382 for electrical, mechanical and structural design changes. Funding will be provided by Program Reserve and the Airport's contribution to the BART/SFO Extension.

Commissioner Strunsky asked if we are finished.

Mr. Kardos responded that this is a clean up. There will be one more close out.

Item No. 15 was removed from the calendar.

15. Approval of Equipment Maintenance and Operating Agreement with San Francisco Terminal Equipment Company, LLC (SFOTEC) - $4,556,000

Resolution approving Equipment Maintenance and Operating Agreement with SFOTEC for Maintenance, Operation and Use of Airport-owned Equipment in the New International Terminal.

16. Rental Credit to San Francisco Terminal Equipment Company, LLC, (SFOTEC) for Phased Opening Coordination Services of the New International Terminal and Boarding Areas A and G

No. 00-0298 Resolution authorizing a rental credit to SFOTEC, LLC, for the coordination and service provisions for phased opening exercises in the New International Terminal and Boarding Areas in an amount not-to-exceed $282,383. Funding for these services will come from the Capital Improvement Program (CIP) Budget of the Airport with no change to the Master Plan Baseline Budget.

17. Modification No. 1 to Contract No. 4093 - As-Needed Pavement Repair and Construction 1999-2000 - Interstate/M.H. Construction - $400,000

No. 00-0299 Resolution approving Modification No. 1 to Contract 4093, As-Needed Pavement Repair and Construction 1999-2000, Interstate/M.H. Construction in the amount of $400,000.

18. Authorization to Exercise First One-Year Option to Operate the Employee Parking Facilities

No. 00-0300 Resolution exercising the first of four one-year options to the agreement with ABC Parking, Inc. operate the Employee Parking Facilities.

19. Accept Proposals and Approve Lease Specifications for the North Terminal Concourse Packaged Gourmet Tea Lease

No. 00-0301 — Resolution requesting authorization to accept proposals and approve lease specifications for the North Terminal Concourse Packaged Gourmet Tea Lease.

Commissioner Ito asked if tasting will be allowed, even if tea will not be sold.

Mr. Rhoades responded that Host has the exclusive lease under the current food and beverage contract in the domestic terminals. However, Host has agreed that they would not object to selling single cups of tea within the facility.

20. Authorization to Conduct a Pre-Proposal Conference for a Cellular Phone Rental Service Lease

No. 00-0302 — Resolution authorizing staff to conduct a Pre-Proposal Conference for a Cellular Phone Rental Service Lease for the existing terminals and the New International Terminal.

Commissioner Strunsky asked if this was enough time to amortize improvements.

Mr. Rhoades responded that we generally propose shorter leases in the technological area. However, if the pre-proposal conference receives enough comments that a 36 month lease is inadequate to amortize the associated costs, it will return to the Commission.

21. Authorization to Exercise the First of Two One-Year Options and Approve a Rental Credit for Wells Fargo, NA

No. 00-0303 — Resolution exercising the first of two one-year options to extend the Automated Teller Machine Services Lease and approve a rental credit for expenses associated with relocating one ATM machine in an amount not-to-exceed $8,250 for Wells Fargo Bank, NA.

22. Authorization to Exercise the First of Two One-Year Options and Approve a Rental Credit for the Automated Teller Machine Services Lease for Bank of America, National Trust and Saving Bank

No. 00-0304 — Resolution exercising the first of two one-year options to extend the Automated Teller Machine Services Lease and approve a rental credit for expenses associated with relocating one ATM machine for an amount not-to-exceed $5,200 for Bank of American, National Trust & Saving Bank.

23. Contract with the Corporation of the Fine Arts Museums of San Francisco

No. 00-0305

Resolution approving contract for $162,000 with the Corporation of the Fine Arts Museums of San Francisco (COFAM) for the purpose of providing technical assistance and implementing temporary exhibitions at the San Francisco International Airport for the period July 1, 2000 to June 30, 2001.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. Larry Holt, Skycap employed by Premium Services Management (PSM), complained about passengers smoking on the curb and creating an unsatisfactory work environment for employees. He is regularly subjected to second hand smoke at his position at Door No. 8 at the United curbside.

He has complained about the situation to his employer, United Airlines and SFO but no corrective action has been taken. He believes that he is being discriminated against because of his race (African American) and his age (50).

He has faxed a chronology of events to the Airport that have taken place since 1993.

Mr. Martin told Mr. Holt that Mara Rosales, Airport General Counsel, would contact him to set up a meeting with herself and Audrey Lawrence, the Airport's Employee Safety Manager, to discuss this issue.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:20 A.M.

Jean Caramatti
Commission Secretary

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Minutes of the Airport Commission Special Meeting of
August 29, 2000

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AIRPORT
COMMISSION
SPECIAL
MEETING
MINUTES

August 29, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Henry E. Berman, President
Hon. Larry Mazzola, Vice President
Michael S. Strunsky
Hon. Linda S. Crayton
Hon. Caryl Ito

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 15, 2000 were adopted unanimously.

No. 00-0308

* * *

D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 00-0306 regarding the settlement of unlitigated claim by Rosendin Electric in an amount up to $154,000; and, Resolution No. 00-0307 regarding the settlement of unlitigated Owner Controlled Insurance Program Builders' Risk Claim of Tutor-Saliba Corporation in the amount of $90,000 at the closed session of August 15, 2000.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito asked that a report be presented on the progress of Mr. Sunshine's plans on the runways.

Commissioner Crayton noted that the Sponsor Party was well done.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Berman and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Modification No. 4 to Contract No. 5521A - Boarding Area G Apron Construction Pavex Construction, A Division of Granite Rock Company - $7,676,000

No. 00-0309	Resolution approving Modification No. 4 to Contract 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Co., in the amount of $7,676,000 for changes in the International Terminal Building tenant infrastructure and utilities extensions, Master Plan Activation requests, and scope transfers from other Master Plan projects. The funding sources are the Capital Improvement Program budget, budget transfers from Contracts No. 5515 and 5500E and Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that with the apron construction in the area of Boarding Area G nearing completion Pavex Construction is performing as a task order contractor performing work required for the completion of the International Terminal Complex. The current modification covers tenant infrastructure and utility extension work, Master Plan Activation requests, design changes, and scope transfers from other projects. The work will be compensated on a time and materials basis not to exceed the authorized amounts.

Funding will be provided by the Airport's Capital Improvement Program budget, budget transfers from other Master Plan projects and program reserve. The modification has been reviewed and approved by the Master Plan Advisory Board and the costs have been forecasted in our quarterly reports.

The base contract's 10% MBE and 6% WBE participation goals remain unchanged for the modified contract. Approximately 40% of the revenue created by this modification will benefit Bass Electric, a certified MBE.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Modification No. 2 to Contract No. 5700A - AirTrain Guideway, East Loop Tutor-Saliba Corporation - $1,976,656

No. 00-0310	Resolution approving Modification No. 2 to Contract 5700A, AirTrain Guideway, East Loop, with Tutor-Saliba Corporation, in the amount of $1,976,656, for changes related to Airport operations, AirTrain Operating System requirements, Airline/Tenant-initiated changes, unforeseen site conditions and design changes to facilitate construction. The funding sources are Management Reserve and contract budget transfer.

Mr. Kardos explained that this modification provides for changes related to Airport operations, AirTrain system requirements, tenant initiated changes, unforeseen site conditions.

Funding will be provided by program reserve and budget transfers from the AirTrain Operating System Contract.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost has been included in our quarterly cost forecasts.

The scope of the modification provides for 6.9% MBE and 0% WBE subcontracting opportunities resulting in a 10% MBE and 8.5% WBE participation level in the modified contract, slightly less than the base contract's 108% MBE and 9.4% WBE goals.

Commissioner Strunsky noted that this calls for additional traffic control requirements and revised work hours in the amount of $235,000 which are costs and impacts to Tutor-Saliba. Do we have any claims coming on this contract?

Mr. Kardos responded that there is an unresolved issue regarding the schedule. We are in negotiations with Tutor-Saliba on both the East Loop and West Loop regarding the cause of delays on the contract.

Commissioner Crayton asked about the East Loop.

Mr. Kardos responded that the East Loop is the AirTrain Guideway east of the new International Terminal, or the Guideway in the area of the existing terminal facilities.

Commissioner Strunsky asked if this will impact the AirTrain operations.

Mr. Kardos responded that it is being evaluated. We are trying to mitigate an impact. There are three participants in this. Tutor-Saliba is late on the completion of the Guideway. The station contractor that is currently doing Stations B and D. We are evaluating any acceleration in that contract. The third participant is Adtranz. We are reviewing their schedule to determine if there are acceleration or mitigation potentials in their contract.

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Modification No. 3 to Contract No. 5520L - Boarding Area A & G Passenger Loading Bridges, Potable Water System, Aircraft Docking System - Thyssen Elevator Corporation - $757,717

No. 00-0311 — Resolution approving Modification No. 3 to Contract 5520L, Boarding Area A & G Passenger Loading Bridges, Potable Water System, Aircraft Docking System with Thyssen Elevator Corp., in the amount of $757,717 for work related to Preconditioned Air & 400Hz Electrical Power supply. Funding source is Program Reserve.

Mr. Kardos explained that this modification covers transferred scope from the Boarding Areas A and G preconditioned air and 400 HZ electrical power contract which was originally scheduled to be closed out in June 1999. The extension of the contract to support the start of airline operations in 2000 originally was negotiated at $1.5 million. Subsequently, as a result of a cooperative arrangement between Thyssen Elevator Corporation, the supplier of passenger loading bridges, and INET, the contractor for preconditioned air and 400 HZ power supply, the proposed scope transfer was agreed to by all parties reducing the Airport's cost exposure to the amount of this contract modification.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost has been forecasted in our quarterly reports.

The 4.1% combined MBE/WBE participation goal established for the base contract remains unchanged. The contract's current performance is at the 5.1% participation level, exceeding the original goal.

Commissioner Mazzola noted that this includes a potable water system, however, Thyssen does not do water systems. He asked if Thyssen will become a general and subcontract out this portion?

Mr. Ray Quesada, Project Manager responded that the potable water system is actually cabinets that are mounted to the end of the loading bridges. The plumbing and piping is all done and brought out to the edge of the building and

handled with hoses that are supplied by the potable water manufacturer.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4, as revised, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Approval of New International Terminal Building Infrastructure Cost Reimbursement to Retail Tenants

No. 00-0312 — Resolution authorizing the reimbursement of certain building infrastructure and construction costs to retail tenants: (1) $600,000 for certain infrastructure costs; and, (2) approximately $4 million for certain costs resulting from delay in substantial completion of base building work in the New International Terminal Complex due to unforeseen circumstances.

Mr. Bob Rhoades, Deputy Director, Business explained that the Commission recently approved an item to reimburse food and beverage tenants for certain extraordinary costs associated with the late completion of the base building and other circumstances that they encountered. That resolution reimbursed food and beverage tenants for work they performed on behalf of the landlord and an additional estimated $3.5 million associated with these extraordinary circumstances.

In actuality the cost was $3.14 million. Those checks are being distributed today.

This item seeks to address the extraordinary costs encountered by the retail tenants due to the late completion of the base building. There are three areas where this reimbursement applies ... 1) Site conditions where actual construction is different from that shown on the base building plans. 2) Site conditions where they have been required to invest in unusual infrastructure costs beyond those that could be reasonably anticipated. 3) Site conditions where the design and the construction of the base building imposes unusual costs beyond what would be reasonably anticipated.

Staff originally estimated this cost to be approximately $4 million, however, based on the submissions received to date, we are proposing a revised resolution that estimates the cost to be approximately $4.5 million.

The food and beverage program is approximately 22,000 square feet and the retail program is approximately 73,000 square feet. This, in part, explains the higher reimbursables we are seeking.

Commissioner Strunsky said that he did not have a problem assisting the small San Francisco-based businesses, but he did have some concerns with DFS participating in this program. They are a worldwide corporation and should be much more sophisticated in determining their budgets.

He also noted that while there is a significant difference in the square footage of the retail program to the food and beverage program, the per square foot cost of development in the food service area is significantly higher than in the retail development. This is not a fair comparison.

He suggested that we look very carefully at DFS. They have more financial resources and a higher level of financial sophistication and experience with large airport development projects.

Mr. Martin responded that he felt it was essential that all tenants be treated equitably. The City Attorney's Office has indicated its concerns in not treating all tenants the same.

Commissioner Strunsky responded that he was not suggesting inequitable treatment.

Mr. Martin added that he also recognizes that there are higher costs on a per square foot basis associated with the food and beverage operators than retail operators.

Mr. Rhoades explained that the reimbursement for food and beverage is approximately $141.50 per square foot, whereas retail is $62 per square foot.

Commissioner Ito asked if the Commission will receive additional costs for the delayed opening and how that will be mitigated for the retailers.

Mr. Rhoades responded that contingent upon the actual opening date versus the target date of September 26, we will seek approval to reimburse for direct costs. Many of the tenants have taken out loans and the interest on those loans will start in the first part of September. Many have hired management in anticipation of the September 26 opening date. It would be reasonable to reimburse them for reasonable salaries incurred from the September 26 date to the actual opening date.

Commissioner Crayton asked if we have met with all of the tenants.

Mr. Rhoades responded that we are meeting with each tenant individually to review their submittals and to discuss and come to mutual agreement on what is reimbursable. We have met with food and beverage tenants and we are now meeting with retail tenants.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner

Strunsky. The vote to approve was unanimous.

5. Authorization to Exercise an Option to Renew a Contract with ShuttlePort/DAJA SFO Joint Venture to Operate the Curbside Management Program - $6.875 million

No. 00-0313 — Resolution authorizing the Director to exercise the first of four renewal options with ShuttlePort/ DAJA SFO Joint Venture to operate the Curbside Management Program commencing November 15, 2000, at an annual cost not to exceed $6.875 million.

Ms. Alice Sgourakis, Landside Operations, explained that this contract formally started in November 1999 and officially took over taxicab dispatching in March 2000. In April 2000 they took over the door-to-door curb coordination function. In May 2000 they began monitoring and customer service assistance at the limousine and scheduled bus zones.

The Curbside Management Program is the most comprehensive program of its kind in North America. A lot of time has been spent with the contractor working through problems of balancing customer service needs, operational constraints and concerns of the operators.

The budget for next years contract is $6.875 million, an increase of about 16.5% over the first years budget. The increase is primarily due to operating the new International Terminal and the overlay of passenger operations between the new and existing terminals for a period of time, the inclusion of existing taxicab dispatcher positions that were overlooked in last years contract, and the addition of a new Assistant General Manager position that will be dedicated to late night and weekend duty.

The increase also includes salary increases to comply with the City's "Living Wage Ordinance" and projected increases in health, insurance and other benefits, including Worker's Compensation.

Due to the phasing of the implementation, the actual expenditures for the first years contract is about $1.7 million less than the $5.9 million budgeted. Therefore, we will not have to increase trip fees to cover the cost of next years contract until the 2001/02 rates and charges submissions and hearings are held next summer.

Commissioner Mazzola asked if the gap in salaries between the employees loading cabs and employees loading vans would diminish.

Ms. Sgourakis responded that the taxi dispatch wages are governed by a different union than the curb coordinators. The disparity in salaries should lessen. We are incorporating increases that are in compliance with the "Living Wage

Ordinance" for the door-to-door van coordinators. Their responsibilities are not as formidable as the taxi dispatching duties. We are bringing them closer, but it will be based on a union agreement.

Commissioner Crayton asked for a report on how this program is doing.

Mr. Martin responded that a report will be provided. We have received very positive passenger feedback. This program is being looked at as a model.

Item No. 6 was removed from the calendar.

6. Award of Contract to Provide Administration and Clinical Management of the SFO Medical Service - $3,200,000

Resolution awarding of contract to Catholic Healthcare West–Bay Area Region to provide Administration and Clinical Management of the SFO Medical Service for three years, beginning October 2, 2000 in an amount not to exceed $3,200,000 for Fiscal Year 2000-01.

Item No. 7 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Consent to Assignment of United Airlines Special Facilities Financing - $55 million

No. 00-0315 — Resolution consenting to the Issuance of Bonds by the California Statewide Communities Development Authority for United Airlines ($55 million).

Mr. Marcus Perro, Deputy Director, Finance explained that the California Statewide Communities Development Authority serves as a conduit issuer of tax exempt bonds for private agencies that provide a direct local benefit to the community. United Airlines is proposing to use California communities to refund its bonds and to help finance construction costs to build out lounges in passenger areas in the new International Terminal as well as the North Terminal.

Repayment of these bonds will be the unconditional obligation of United Airlines, with no recourse to the Airport or the City. The City has been a member of the Authority for several years.

Commissioner Strunsky asked if the other airlines have a right to apply for these interest free funds.

Mr. Perro responded that they do if they submit the application to the Authority.

Commissioner Strunsky asked why we have not seen them.

Mr. Martin responded that he suspected that the other airlines are not spending anywhere close to this amount of money. The fixed costs of hiring an investment banking firm and a law firm outweighs the interest rate savings they would realize.

Commissioner Strunsky wondered why they did not get together.

Mr. Martin responded that while the foreign flag carriers in the existing International Terminal did get together for financing, they did not get together in this instance. He said that he would find out why.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Commissioner Crayton was unanimously recused from voting on Item Nos. 9 and 10 due to a conflict of interest.

Item No. 16 was removed from the calendar. Item Nos. 8 through 15 were moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

8. Award Contract 4346 - As-Needed Utility Repairs, FY 00/01 - JMB Construction Inc. - $498,300

No. 00-0316	Resolution awarding Contract 4346, As-Needed Utility Repairs, FY 00/01 to the lowest responsive, responsible bidder, JMB Construction Inc., in the amount of $498,300.

Commissioner Mazzola asked if this was one job.

Mr. Eavis responded that this is an allowance based on the amount of money we spent in past years.

9. Authorization to Accept Proposals for High Speed Wireless Internet Lease in the New and Existing Terminals

No. 00-0317	Resolution approving the lease specifications and authorizing staff to accept proposals for the High Speed Wireless Internet Service Lease for the existing terminals and the New International Terminal.

Mr. Robert McCarthy, McCarthy and Schwartz, speaking in support of this item on

behalf of Metrocom, thanked staff, in particular Mr. Rhoades and Ms. Maitland, for spending a fair amount of time with all of the carriers to expand the universe that will be accommodated under the master lease.

10. Approval of Business Terms and Authorization to Lease Space to AT&T Cable Services for the Purpose of Providing Cable Television Service to Tenants in the New International Terminal Building Complex

No. 00-0318 — Resolution requesting approval of business terms and authorizing the lease of space to AT&T Cable Services for the purpose of providing cable television service to tenants in the New International Terminal Building Complex.

11. Consent to Assignment of Yosizono Japanese Cuisine Corp. to Tomokazu Japanese Cuisine (SFO), Inc.

No. 00-0319 — Resolution consenting to the assignment of Yosizono Japanese Cuisine Corporation to Tomokazu Japanese Cuisine (SFO), Inc.

12. Authorization to Issue Month-to-Month Lease Extension for SFO Hairport in the South Terminal Building

No. 00-0320 — Resolution approving month-to-month lease for SFO Hairport's Lease No. 95-0046 in the South Terminal Building.

13. Modification No. 3 to the Professional Services Contract with Edward J. Daley, Airport Liaison to the Airport/Roundtable - $50,000

No. 00-0321 — Resolution approving Modification No. 3 to the Professional Services Contract with Edward J. Daley as the Airport's Liaison to the Airport/ Community Roundtable on aircraft Operations and Noise Mitigation Issues in an amount not to exceed $50,000 for a new total contract amount not to exceed $140,000.

14. Modification No. 3 to the Professional Services Contract with Robert H. Voss, Airport Liaison to the Airport/Roundtable - $50,000

No. 00-0322 — Resolution approving Modification No. 3 to the

Professional Services Contract with Robert H. Voss as the Airport's Liaison to the Airport/ Community Roundtable regarding issues involving the Federal Aviation Administration and Aircraft Noise Abatement in the amount not to exceed $50,000 for a new total contract amount not to exceed $130,000.

15. Sublease of a Portion of Airport's Off-Airport Office Space Located at 1766 El Camino Real, Burlingame, California

No. 00-0323 — Resolution approving the City's sublease of a portion of the Airport's office premises at 1766 El Camino Real, Burlingame, California to San Francisco Aeronautical Society, a California non-profit corporation, as Sublessee

Item No. 16 was put over.

16. Modification No. 5 to Shuttle Bus Agreement

Resolution modifying the existing Shuttle Bus Agreement to obtain four additional Compressed Natural Gas (CNG) low-floor transit buses in Spring 2002, at an estimated annual cost of $350,000, through the end of 2007.

Commissioner Strunsky asked why the cost per bus was so high.

Mr. Sgourakis responded that these are CNG buses. The pros and cons of going through the City's purchasing process and leasing the buses has been discussed with the Budget and Finance staff and they agree that despite the fact that it is slightly higher in cost, it is more efficient for us to do it this way.

Commissioner Strunsky asked what the cost per bus was.

Ms. Sgourakis responded that they are significantly more expensive than diesel buses. She believed the cost was around $450,000. We will receive partial funding from the Air District.

Commissioner Strunsky asked if this includes the operator.

Ms. Sgourakis responded that it does not.

Mr. Martin suggested removing the item from the calendar and returning to the Commission with a more detailed report.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. Barry Taranto, cab driver, said that he did not object to the Shuttleport/DAJA contract and the fact that it was increased by over $1 million. This increase would be offset by the fact that the entire $5.9 million amount budgeted for last year was not used.

The Commission approved a resolution to increase the trip fee from $3.00 to $3.25 to be effective October 1. Based upon the information before the Commission, he asked that the increase be delayed until a pass through can be negotiated. No other airport in the country charges this fee without a pass through to the passenger.

Mr. Martin said that Airport staff is in frequent contact with Mr. Taranto. We are continuing to evaluate the pass through fees with the Taxi Commission.

Commissioner Strunsky asked that this issue be brought back to the Commission.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:50 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation, including, but not limited to the settlement of an unlitigated Owner Controller Insurance Program Builders' Risk claim of D.J. Amoroso and Roscoe Steel Fabricators; and, the settlement of an unlitigated enforcement proceeding brought by the San Francisco Bay Conservation and Development Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:10 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:12 A.M.

Jean Caramatti
Commission Secretary

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September 19, 2000

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AIRPORT COMMISSION MEETING MINUTES

September 19, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:30 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Henry E. Berman, President
Hon. Larry Mazzola, Vice President
Hon. Michael S. Strunsky
Hon. Linda S. Crayton

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of September 29, 2000 were adopted unanimously.

No. 00-0327

* * *

D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 00-0325 regarding a settlement with the San Francisco Bay Conservation and Development Commission for filling in Wetlands in the amount of $122,000; and, Resolution No. 00-0326 regarding the settlement of an unlitigated Owner Controlled Insurance Program Builders' Risk claim of D.J. Amoroso and Roscoe Steel Fabricators, in the amount of $90,000 at the closed session of August 29, 2000.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commission Crayton. Item No. 1 was approved by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote.

1. Award Contract No. 5606C - Police Main Station - Trico Construction - $7,671,390

No. 00-0328 — Resolution awarding Contract No. 5606C, Police Main Station to Trico Construction in the amount of $7,671,390 to construct a new Police Main Station on the fifth floor of the New International Terminal. This work is funded from the Master Plan Baseline Budget.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this contract will construct a new Police Main Station on the fifth floor of the

new International Terminal Building. Two bids were received in June 2000.

Both bids include a $325,000 allowance for unanticipated conditions and both bidders are entitled to a 10% bid discount in the evaluation of bids. The baseline budget established in 1996 is $4,883,000. The architect's estimate after a value engineering analysis was $5,912,199. The low bid by Trico is 57% over budget and 30% over the architect's estimate. The bid evaluation indicates that the conditions of the Bay Area construction market and the associated labor shortage are the primary reasons for the high bids.

Trico Construction's commitment to 38% MBE and 3.75% WBE subcontractor participation exceeds the 13% and 3% respective goals established for the contract.

Item No. 2 was moved by Commissioner Ito and seconded by Commission Mazzola. The vote to approve was unanimous.

2. Award of Professional Services Contract No. 5450.1 - International Terminal and Boarding Area D - Gensler/Michael Willis, Associated Architects - $2,901,200

No. 00-0329 — Resolution awarding Professional Services Contract No. 5450.1 to Gensler/ Michael Willis, Associated Architects in the amount of $2,901,200 for architectural and engineering services to remodel the existing International Terminal and Boarding Area D for domestic operations. Funding source is Master Plan Program budget.

Mr. Kardos explained that when the Airport's international operations are relocated to the new International Terminal, the existing Central Terminal has to be converted to domestic flight operations. The proposed contract covers the necessary architect/engineer services to achieve this conversion.

On May 2, 2000, the Commission approved the selection f the Gensler/Michael Willis Associated Architect's team s the design architects for the project. Staff has negotiated a lump sum fee of $2,651,200 for the services. We also seek your approval to budget an additional $250,000 allowance for retaining a baggage consultant and for potential additional services.

The MBE/WBE participation is 13% on the prime level and 47% at the subcontractor level, considerably exceeding the 29% MBE and 5% WBE goals normally achieved for this type of work.

In order to initiate the design work for the planned remodeling, we request your approval of the contract award.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commission Crayton. The vote to approve was unanimous.

3. Modification No. 5 to Contract No. 5511A - Boarding Area A Aircraft Apron - Ghilotti Brothers Construction, Inc. - $4,116,962

No. 00-0330 — Resolution approving Modification No. 5 to Contract 5511A, Boarding Area A Aircraft Apron, with Ghilotti Brothers Construction, Inc. for providing construction services for the completion of site improvements at the North Cargo Facility. The additional construction fee of $4,116,962 will be transferred from Program Reserves.

Mr. Kardos explained that this modification covers the construction of the taxiway and hardstands as well as the associated civil work to provide service to the North Cargo Facility. Staff negotiated a lump sum fee of $4,116,962 for the performance of the work. The total cost to complete the work may be impacted by the nature and extent of subsurface soil contamination expected to be known after site clearing and grading is completed.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost has been included in the quarterly report's forecast.

The contract's performance regarding MBE/WBE participation through this modification will be at the 21% MBE and 8.9% WBE participation levels, less than the base contract's 25.8% MBE and 11% WBE subcontracting commitment, but still in excess of the 10% and 6% respective goals.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commission Mazzola. The vote to approve was unanimous.

4. Modification No. 26 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture - $3,397,607

No. 00-0331 — Resolution approving Modification No. 26 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture, in the amount of $3,397,607 for work related to transferred scope, changes to facilitate construction and unanticipated conditions. Funding sources are budget transfers and Program Reserve.

Mr. Kardos explained that the changes included in this modification have been

carried in our forecasts for a considerable time and they represent, in large part, the final close-out of subcontractor scope within the overall contract. The proposed Commission action formalizes the forecasted changes by incorporating them into a contract modification. The individual changes cover transferred scope from other projects, miscellaneous design changes and changes necessitated by unforeseen site conditions.

Funding will be provided by transfers from other Master Plan and Master Plan-related Capital Improvement Projects as well as Master Plan Program Reserve.

The proposed modification has been reviewed and approved by the Master Plan Advisory Board.

The aggregated MBE/WBE subcontractor participation through this modification will be at the 18.1% MBE and 5.7% WBE participation levels, considerably in excess of the base contract's 10.3% combined subcontracting goal.

Item No. 5 was moved by Commissioner Crayton and seconded by Commission Strunsky. The vote to approve was unanimous.

5. Modification No. 8 to Contract No. 5500CM - Construction Management Services for the International Terminal - SFO Associates, A Joint Venture of Parsons/AGS, Inc./EPC Consultants, Inc./Business Development, Inc. - $3,000,000

No. 00-0332

Resolution approving Modification No. 8 to Contract 5500CM with SFO Associates, A Joint Venture of Parsons/AGS, Inc/EPC Consultants, Inc/ Business Development, Inc. to provide construction management services for activation of the New International Terminal. Work will include startup and commissioning, scheduling, life safety testing, facility acceptance, special systems integration, and SFIA staff support. $3,000,000.

Funding will come from the Master Plan Baseline Budget, the Airport's contribution to the BART-SFO Extension, the Capital Improvement Program budget, Airport Operating Funds and the Airfield Development Program budget. There is no impact on the Master Plan Baseline Budget.

Mr. Kardos explained that the proposed modification covers additional scope associated with the activation of the new International Terminal Complex. The tasks to be performed by he SFO Associates team include support for startup and commissioning of systems, life safety testing, facility acceptance and miscellaneous services related to systems integration with tenants, federal

agencies and the Airport's various operating departments.

The work performed under this contract is compensated on an hourly and as-needed basis and is monitored by Airport staff for cost effectiveness. The $3 million funding request is within the overall baseline budget for construction management and has been included in our cost forecasts.

The overall MBE/WBE participation of 39% at the prime level and 17.5% MBE / 5% WBE participation at the subcontract level exceed the City's goals of 17% / 3% respectively.

Item No. 6 was moved by Commissioner Crayton and seconded by Commission Strunsky. The vote to approve was unanimous.

6. Modification No. 6 to Contract No. 5011CM - Construction Management Services for Security and Special Systems - DMJM Aviation/Cabellon Associates, Inc/Mendoza Associates, A Joint Venture - $2,300,000

No. 00-0333	Resolution approving Modification No. 6 to Contract 5011CM with DMJM Aviation/Cabellon Associates, Inc/Mendoza Associates, A Joint Venture, to provide construction management services for the Security and Special Systems in the amount of $2,300,000. The work will include startup and commissioning and activation support. Funding will come from underruns within the project and budget transfers from the Capital Improvement Program budget.

Mr. Kardos explained that the DMJM Aviation/Cabellon Associates/Mendoza Associates joint venture provides construction management services for the three Securities and Special Systems contracts. The modifications to these contracts are due to various scope changes to accommodate airlines, tenants and federal agencies increased the scope of oversight and coordination activities requiring an increase in staff to facilitate the completion and activation of the systems.

The $2.3 million funding request is within the overall baseline budget allocation and will be administered on an as-needed hourly basis. The cost has been part of our forecasts for a number of reporting periods.

Within this modification the MBE/WBE subconsultant participation will be 56% and 3% respectively. The cumulative totals for the contract through this modification will be at the 57% and 2% respective levels compared to the base contract's 20% and 3% goals.

Item No. 7 was moved by Commissioner Mazzola and seconded by Commission

Crayton. The vote to approve was unanimous.

7. Modification No. 4 to Contract No. 5500F - International Terminal Baggage System - BAE Automated Systems Inc. - $1,132,970

No. 00-0334 — Resolution approving Modification No. 4 to Contract 5500F, International Terminal Baggage System, with BAE Automated Systems Inc., in the amount of $1,132,970 for work related to airline revisions, design changes to facilitate construction, and unanticipated conditions. Funding sources are contingency and Program Reserve.

Mr. Kardos explained that this modification comprises changes requested by the airlines, Airport operations and Fire Marshal, as well as changes mitigating unanticipated site conditions.

The modification was reviewed and approved by the Master Plan Advisory Board and the cost has been included in our forecast presented to the Commission on a quarterly basis. Funding will be provided by the project's contingency budget and program reserve.

The contract through this modification will provide for a 8.56% combined MBE/ WBE participation level, well in excess of the base contract's 5.28% commitment.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 8 was moved by Commissioner Strunsky and seconded by Commission Ito. The vote to approve was unanimous.

8. Authorization to Issue a Request for Notice of Intent for Passenger Facility Charge

No. 00-0335 — Resolution authorizing the issuance of a notice of intent to air carriers to begin collecting and using Passenger Facility Charge (PFC) Revenues.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 through 25 were moved by Commissioner Crayton and seconded by Commission Strunsky. The vote to approve was unanimous.

9. Modification No. 5 to Contract No. 5900CM - Elevated Circulation Roadways and Inbound and Outbound Ramps - Holmes & Narver/Arcost CPM Group/F.E. Jordan Associates - $650,000

No. 00-0336 — Resolution approving Modification No. 5 to Contract 5900CM, Construction Management Services for Elevated Circulation Roadways and Inbound/Outbound Ramps Professional Service Agreement with Holmes & Narver/Arcost CPM Group/F.E. Jordan Associates for an increase of professional services fees in the amount of $650,000. Funding for the services will be provided by budget transfers from the Administrative Budget, the Utilities Relocation Project, and the Inbound and Outbound Ramps Project, with no impact on the Master Plan Baseline Budget.

10. Approval of Equipment Maintenance and Operating Agreement with San Francisco Terminal Equipment Company, LLC (SFOTEC)

No. 00-0337 — Resolution approving Equipment Maintenance and Operating Agreement with SFOTEC for maintenance, operation and use of Airport-owned equipment in the new International Terminal.

11. Amendment of the Ninth Supplemental Resolution

No. 00-0338 — Resolution approving the amendments of the Ninth Supplemental Resolution No. 00-0154 concerning Airport Revenue Bonds for infrastructure projects.

12. Bid Call - Contract No. 4378 - SFIA Wastewater Treatment Plant Expansion

No. 00-0339 — Resolution approving the scope, budget and schedule for Contract 4378, SFIA Wastewater Treatment Plant Expansion, and authorizing the Director to call for bids when ready.

13. Authorization to Issue a Request for Qualifications and Proposal for Professional Services Contract No. 4468 - Construction Management Services - Treatment Plant Expansion Project

No. 00-0340 — Resolution approving the scope, budget, and schedule for Contract 4468, Professional Services - Construction Management Services - Treatment Plant Expansion Project, and authorizing the Director to request qualifications and proposals.

14. Award of the North Terminal Concourse Specialty Store Lease - Wilsons Leather - Minimum Annual Guarantee: $100,000

No. 00-0341 — Resolution awarding the North Terminal Concourse Specialty Store Lease to Wilsons Leather, with an initial Minimum Annual Guarantee of $100,000.

15. Supplemental Appropriation of Interest Income

No. 00-0342 — Resolution approving supplemental appropriation request of interest income earned on Airport Revenue Bonds amounting to $39,690.612 in FY 1999/00.

16. Amendment of Commercial Paper Resolution

No. 00-0343 — Resolution approving the amendment of Resolution 99-0299 increasing the maximum amount of the letter of credit with Societe Generale from $300 million plus interest to $400 million plus interest for the Airport's Commercial Paper Program.

17. Modification No. 1 to Contract No. 3444 - Taxiway R Realignment - Pavex Construction, A Division of Granite Rock Company, Inc. - $390,000

No. 00-0344 — Resolution approving Modification No. 1 to Contract No. 3444, Taxiway R Realignment with Pavex Construction, a division of Granite Rock Company, Inc, in the amount of $390,000.

18. Modification No. 1 to Professional Engineering Services Contract No. 3937 - Geotechnical Consultant - Olivia Chen Consultants/Treadwell & Rollo, Inc., A Joint Venture - $100,000

No. 00-0345 — Resolution approving Modification No. 1 to

Professional Engineering Services Contract No. 3937 - Geotechnical Consultant, with Olivia Chen Consultants/Treadwell & Rollo, Inc., A Joint Venture, in the amount of $100,000.

19. Authorization to Issue a Request for Proposals from Property Appraisal Consultants

No. 00-0346 — Resolution authorizing a request for proposals from property appraisal consultants to provide actual and replacement values on all airport-owned properties.

20. Sublease of a Portion of Airport's Off-Airport Warehouse Space Located at 245 South Spruce Avenue, South San Francisco, California

No. 00-0347 — Resolution approving the City's sublease of a portion of the Airport's warehouse premises at 245 South Spruce Avenue, South San Francisco, California to the Corporation of the Fine Arts Museums of San Francisco, a California non-profit corporation, as Sublessee.

21. Rescheduling of the Taxicab Trip Fee Increase

No. 00-0348 — Resolution changing the effective date of the taxicab trip fee increase adopted by Resolution 00-0225 from October 1, 2000 to January 1, 2001.

22. Modification No. 2 to Professional Legal Services Agreement - Farella, Braun & Martel, Joint Venture with Minami, Lew & Tamaki - $200,000

No. 00-0349 — Resolution approving Modification No. 2 to Professional Legal Services Agreement with Farella, Braun & Martel, in Joint Venture with Minami, Lew & Tamaki, to increase compensation in the amount of $200,000; all other terms and conditions to remain in full force and effect.

23. Modification No. 10 to Professional Legal Services Agreement - Wulfsberg, Reese & Sykes - $200,000

No. 00-0350 — Resolution approving Modification No. 10 to Professional Legal Services Agreement with Wulfsberg, Reese & Sykes to increase compensation in the amount of $200,000; all other terms and conditions to remain in full force and effect.

24. Rent Credit to Host International, Inc. for Constructing and Implementing the Storefront Concept in the North Terminal

No. 00-0351 — Resolution authorizing a rent credit to Host International, Inc. for constructing and implementing the Storefront Concept in the North Terminal at an amount not-to-exceed $143,000.

25. Consent to Add New Members as Signatories to D-Lew Enterprises, LLC's Lease

No. 00-0352 — Resolution consenting to add Darren J. Lewis and Michael Levine as Signatories to D-Lew Enterprises, LLC's lease.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. Joe Brenner, Secretary-Treasurer, San Mateo County AFL-CIO spoke to the Commission regarding the Quality Standards Program and issues regarding ITS employees. Mr. Brenner submitted petitions signed by ITS employees (see attached).

Mr. Nestor Reyes, ITS employees also addressed the Commission on the Quality Standards Program and the impact to ITS employees.

Mr. Carlos Zavaleta, owner-operator of San Francisco City Shuttle addressed the Commission on the Curbside Management Contract and ShuttlePort/DAJA, the operator. Mr. Zavaleta expressed his unhappiness and frustration with the system.

Mr. Martin said that a member of the City Attorney's staff at the Airport would meet with Mr. Zavaleta to discuss his concerns.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 10:30 AM and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF v Scott Company of California et al, County of Santa Clara Superior Court Case No. CV787323, and Coral Construction, Inc. v Martin, et al; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 11:00 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:02 AM.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

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MINUTES

October 3, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
October 3, 2000

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G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
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L.	CLOSED SESSION:	
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M.	ADJOURNMENT:	20

AIRPORT COMMISSION MEETING MINUTES

October 3, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Michael S. Strunsky Hon. Linda S. Crayton Hon. Caryl Ito
Absent:	Hon. Larry Mazzola, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 19, 2000 were adopted unanimously.

No. 00-0353

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Americo Palma

   No. 00-0354

   Mr. Peter Nardoza, Deputy Director, Public Affairs said that we would not be where we are today without an incredible accounting staff. We wish Mr. Palma well.

* * *

E. DIRECTOR'S REPORTS:

2. Annual Report of Airport Minority Business Enterprise/Woman Business Enterprise Contracting Performance

Resolution contracting report of airport contracts awarded to MBE and WBE contractors and concessionaires in the areas of construction, professional services, retail, food/beverage and other passenger services for FY 1999-2000, covering the period of July 1, 1999 to June 30, 2000.

Ms. Sandra Crumpler, Outreach Office explained that for FY 1999/2000, contract awards to minority-owned and women-owned businesses and concessions were monitored in the contracting areas of construction, professional services and concessions. These contracts were monitored for prime and subcontractor participation. This report does not reveal payments to M/WBEs.

This years contract awards represent construction (Master Plan and non-Master Plan projects) and professional services (architectural, engineering, construction management, legal and transportation) and represent a total of $88 million in awards.

Total awards to prime M/WBEs represents $18 million or 20% of the total dollar amount. Subcontractor M/WBE participation is approximately $14 million or 16%. The overall M/WBE participation is approximately $31 million or 36%.

During this same reporting period 29 concessions and passenger service contracts were awarded. Of these, M/WBEs were awarded 21 prime leases and 6 subleases, representing 27 contracts or 93% of the total number of contract awards.

These awards included 16 food and beverage operations, three subcontracts with the Pacific Bell Turn-key Public Communications Agreement, newsstand, Bookstore Café, an Employee Parking Operating Agreement, two International Terminal discretionary stores, two subleases with the North Terminal Hub Principal Concession, hair salon, and two mobile catering carts.

The Airport concession program now has over 50% DBE participation.

A further analysis of these awards was conducted by ethnicity and gender which showed contract awards to African Americans at approximately $7.7 million, Asians at approximately $14.5 million, Latinos at approximately $5.2 million and women at approximately $6.7 million.

A more detailed report is available.

Commissioner Crayton noted that there are new guidelines regarding the threshold for DBEs per the Department of Transportation and asked if we are doing anything to alert the communities.

Ms. Crumpler responded that there are new regulations for DBE construction with a new net worth of $750,000. This will have an impact on several of our contractors who have grown as a result of the Master Plan Project. The FAA has

been alerted and they are revisiting the net worth value.

Proposed regulations for concessions were also received and we have until October 23 to respond. She will meet with staff next week. We will also meet with the various ethnic Chambers of Commerce and Business Development Assistance Centers so they are aware of these changes and can provide input.

FAA regulations require us to alert all community agencies of our annual goal, which is currently 23% for construction and 30% for concessions. The FAA's goal is 10% airport wide.

Commissioner Crayton noted that the report she read from the Department of Transportation has some very aggressive goals to involve everyone in the DBE program.

We have been aggressive in getting information to the various ethnic communities and conducting forums. She applauded Ms. Crumpler for her efforts and encouraged her to try and do even more.

Commissioner Ito asked Ms. Crumpler what she sees as our on-going challenges for outreach and increasing our involvement of women owned businesses, particularly in the ethnic communities.

Ms. Crumpler responded that we are seeing more and more women-owned businesses in professional services and concession contracts. The Airport's Surety Bond and Loan Assistance Program has been very successful in assisting many small businesses to grow and participate in Airport contracts. Examples are JMB Construction, Airport Pavement, Resource and Design, and Trico Construction.

Commissioner Crayton asked if progress has been made with Latino contractors.

Ms. Crumpler responded that A and B Painting, Fire Barrier Company, and J. Flores Construction are new companies. Barri Electric began over 10 years ago as a small contractor and has grown as a result of Airport contracts.

More small companies are coming forward all the time.

Commissioner Berman asked for a comparison of M/WBE participation in two or three larger U.S. airports.

Ms. Crumpler responded that she will provide the information to the Commission.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Modification No. 9 to Contract No. 5515C - Security and Special Systems - Terminal Systems - SASCO Electric - $4,122,140

No. 00-0355 — Resolution approving Modification No. 9 to Contract 5515C, Security and Special Systems - Terminal Systems, with SASCO Electric, in the amount of $4,122,140 for work related to tenant improvements, scope transfer, and design changes to facilitate construction. Funding sources are transfers from the Capital Improvement Program, from Program Reserve, from other projects, and the Contract's contingency budget.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification covers changes in response to design revisions to accommodate requests by Federal agencies, improve Airport operations, provide interim telephone service prior to connection to the ultimate system and miscellaneous changes to facilitate construction.

The modification has been approved by the Master Plan Advisory Board and the cost has been included in our quarterly forecast.

Funding will be provided by transfers from the Airport's Capital Improvement Program budget, other projects, program reserve and contract contingency.

This modification will maintain the 8% MBE / 2% WBE subcontractor participation levels established for the base contract.

Commissioner Strunsky asked if this contractor can make the schedules that have been established by the Bureau of Design and Construction.

Mr. Kardos responded that the contractor is being monitored closely. In some cases we are requesting additional manpower to be assigned to particular tasks.

Commissioner Strunsky asked Mr. Kardos to describe the situation that occurred last week when a fiber optic cable was severed. He was pleased with the results.

Mr. Kardos explained that it happened last Saturday morning when an irrigation line was bored under the roadways and hit a duct bank that had a configuration of four conduits with fiber optic cable. Three of the four cables were hit, interrupting the connection between the communication center and the new International Terminal. Within one hour we successfully rerouted all of the communications lines, with the exception of the public announcement system, via the other side of the ring. The ring follows the lay out of the existing facilities. We established

contact via the southern route and all of the systems were back. The public announcement system was back on Sunday.

Using the flexibility of the existing system, no occupancy changes had to be made.

Commissioner Strunsky congratulated Mr. Kardos and his staff. This system allows us to work around events that cannot be anticipated.

Mr. Kardos responded that it took the entire Airport, not just SASCO. The Facilities Operations and Maintenance staff was also present.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

4. Modification No. 7 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - $2,110,594

No. 00-0356	Resolution approving Modification No. 7 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation, in the amount of $2,110,594 for work related to design changes to facilitate construction and extended overhead. Funding sources are the contract's contingency budget, budget transfer from the International Terminal Building Contract, Program Reserve, Capital Improvement Program budget, and budget underruns within the Security and Special Systems Project.

Mr. Kardos explained that this modification incorporates into the contract changes related to the communication center, Fire Marshal's requirements, changes to the public announcement system and other miscellaneous changes related to the fire alarm system.

The modification has been approved by the Master Plan Advisory Board and the costs were included in our forecast presented to the Commission in our second quarterly report this year.

Funding sources for this modification are the contract's contingency budget, budget transfer from the International Terminal project, Program Reserve and the Capital Improvement Program budget.

Within this modification the 9.8% MBE and 10.7% WBE subcontractor participation exceeds the base contract's 8% and 2% respective goals. The cumulative totals for the overall contract through Modification No. 7 are at the 12.6% MBE and 12.1% WBE participation levels, well in excess of the base contract's goals.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

5. Modification No. 13 to Contract No. 5510E - Boarding Area A General Construction - Hensel Phelps Construction Co. - $3,481,263

No. 00-0357

Resolution approving Modification No. 13 to Contract 5510E, Boarding Area A, with Hensel Phelps Construction Co., Inc., in the amount of $3,481,263, for work related to transferred scope from other projects, design changes to facilitate construction, and unanticipated conditions. Funding sources are budget transfers from other contracts, Public Art funds, non Master Plan Capital Improvement Project (CIP) funds, and program reserve.

Mr. Kardos explained that this modification comprises changes associated with the International Terminal Complex's activation process, architectural changes, changes required for the Certificate of Occupancy and miscellaneous changes requested by the Federal agencies.

The modification has been approved by the Master Plan Advisory Board with the costs being included in our quarterly forecasts.

Funding will be provided by budget transfer from the Airport's Capital Improvement Program budget as far as activation is concerned, and Program Reserve.

The contract's current 10.9% MBE and 2.2% WBE subcontracting participation is slightly lower than the base contract's 12.3% and 2.2% respective goals which remain in effect for the overall contract performance.

Commissioner Crayton asked why we have not met the M/WBE goals.

Mr. Kardos responded that depending on the scope of the modification, we exceed on some and don't on others. We are maintaining the original participation goal and by contract close-out we will be up to the originally established level. Within the process, it moves up and down according to the scope.

Commissioner Strunsky noted that all of these changes are included in the previous cost forecast and does not change our overall budget.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

6. Modification No. 9 to Contract No. 5900D - Elevated and Surface Circulation Roadways -Myers/Kulchin-Condon, A Joint Venture - $3,825,263

No. 00-0358

Resolution approving Modification No. 9 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, A Joint Venture, in the amount of $3,825,263. Funds will be provided from the Utility Relocations Project, project contingency, and Program Reserve.

Mr. Kardos explained that this modification incorporates changes associated with unanticipated utility relocations, Airport operational requirements, schedule changes and miscellaneous infrastructure (drainage, electrical, etc.) revisions.

The modification has been approved by the Master Plan Advisory Board and the costs were included in our quarterly cost forecast.

Funding sources are budget transfers from the utility relocation project, contract contingency and program reserve.

Through this modification the MBE/WBE participation will be at the 19% MBE/ and 14% WBE levels as compared to the base contract's 20% / 9% respective goals.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Modification No. 4 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - $3,101,858

No. 00-0359

Resolution approving Modification No. 4 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of $3,101,858 for work related to design changes to facilitate construction. Funding sources are current budget underruns, transfers from the International Terminal Building Contract, Program Reserve budget, and contract contingency.

Mr. Kardos explained that this proposed modification is a compilation of negotiated changes comprising scope transfers from the International Terminal Project, changes facilitating operational improvements, and miscellaneous changes improving Airport security.

Funding sources are budget transfers from the International Terminal project, budget underruns within the Security and Special Systems project, Program Reserve and contract contingency.

The changes have been approved by the Master Plan Advisory Board and the costs have been included in the cost forecasts presented in the quarterly reports.

This modification provides for 9% MBE and 11% WBE participation. The cumulative totals for the contract through this modification are at the 8% and 4% respective levels. Both the modification and the overall contract exceed the 8% MBE and 2% WBE goals established for the base contract.

Commissioner Strunsky asked if this contract was on schedule for opening day.

Mr. Kardos responded that this contract deals with the security system and it will be ready.

Mr. Kardos added that access control is a critical issue. All doors to the airfield operations area must be secured. There are various security levels within the administrative airline offices.

The Federal agencies have required modifications to the configuration of their security system. There were some hardware issues on the door and connections with the closed circuit camera. Such changes are inevitable on a system of this size.

Item No. 8 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Modification No. 6 to Contract No. 5511A - Boarding Area A Aircraft Apron Ghilotti Brothers Construction, Inc. - $1,979,003

No. 00-0360	Resolution approving Modification No. 6 to Contract 5511A, Boarding Area A Aircraft Apron, with Ghilotti Brothers Construction, Inc., in the amount of $1,979,003, for work related to unanticipated conditions. Funding sources are budget transfers from construction contingency and program reserve.

Mr. Kardos explained that the proposed resolution modifies the contract to incorporate changes related to utility relocations, blast fence lighting additions, miscellaneous infrastructure changes and unit priced bid item quantity overruns due to unanticipated site conditions.

The modification has been approved by the Master Plan Advisory Board and the costs were part of our cost forecast presented to the Commission in the quarterly report.

Funding will be provided by the contract's contingency budget and program reserve.

The contract's performance through this modification will be at the 20.5% MBE and 8.9% WBE participation levels, less than the base contract's 25.8% MBE / 11% WBE commitment, but still in excess of the 10% / 6% respective goals

established for the contract.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 9 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

9. Authorization to Issue a Request for Qualifications/Proposals for Engineering Services for a Navigational Aids System for the Runway Reconfiguration Program

No. 00-0361	Resolution authorizing issuance of a Request for Qualifications/Proposals for Engineering Services for a Navigational Aids System for the Runway Reconfiguration Program to meet FAA Requirements.

Ms. Peg Divine, Deputy Director, Airfield Development Bureau explained that the locations, heights, materials and characteristics of the proposed navigational aids systems that are a part of this proposed request for qualifications and proposals would include a local area augmentation system, the localizer antenna for horizontal positioning of the aircraft, the glide scope antenna which controls the aircraft descent rate, the outer marker beacon, middle marker beacon, inner marker beacon, visual range radar for determining Category 1, 11, or 111 conditions, surface detection equipment which compensates for loss of line of sight during reduced visibility, and the touch down lights. The engineering is normally done by the FAA. However, the FAA informed us that they will not be available to do the preliminary engineering work for these facilities in time to meet our schedule.

This consultant work is grant eligible and would be reimbursed by the FAA. Our Facilities Operations and Maintenance division is assisting Airfield Development in defining the scope of work for the consultant.

Staff will coordinate with the Outreach Office to establish DBE goals for this contract.

Commissioner Ito asked if this will be fully reimbursed by the FAA.

Ms. Divine responded that the FAA covers 85%.

Commissioner Strunsky asked how we can decide the location of an outer marker when we don't have a final runway configuration yet.

Ms. Divine responded that assuming that a build configuration is selected, Runway 28R would be in the same location in A3, any of the B alternatives, and the F2 alternative.

One of the things that we have to define for the environmental is what materials

we will use. Our approach lighting is currently on wooden piles treated with creasote. We no longer use wooden piles treated with creasote and must define the material we will use. We need to preserve adequate space for each of these electronic components. We found that trying to site the control tower and the emergency response facility played a part as to how much structure or fill we needed to create to support those facilities. We don't want to enter environmental without adequately disclosing all of the facilities we will need, and their potential environmental impacts.

We will probably look at the various B alternatives and the F2 alternative in terms of the Runway 1 system.

Commissioner Crayton noted that this was a critical issue and did not understand why the FAA was not participating in the engineering of the navigational aids. Did we fail to approach them in enough time.

Ms. Divine responded that the FAA is short staffed, particularly in some key areas. They will be included in our selection panel and will thoroughly review the consultant's scope of work. We have a separate MOU with the FAA to monitor the design for the localizer, glide scope, marker beacon, etc. They will be reviewing the work at 30, 60 and 90% preliminary engineering for us.

Commissioner Crayton asked which Outreach Office would review the DBE goals.

Ms. Divine responded that Sandra Crumpler and Mario Gallardo of our Outreach Office will do the work.

Item No. 10 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

10. Clean Vehicle Taxi Program

No. 00-0362 Resolution establishing incentives for clean vehicle taxicabs serving the Airport.

Ms. Alice Sgourakis, Landside Operations, explained that over the last year and a half Landside Operations and Public Affairs staff have been working with Supervisor Gavin Newsom's staff and the Taxi Commission to develop an incentive program to encourage the use of Compressed Natural Gas (CNG) taxis. In early 1999 the Airport instituted a 90 day pilot program that allowed front of the line privileges for CNG taxis. At that time only two CNG taxis operated in San Francisco, however, the drivers that participated in this program felt that this was very beneficial in overcoming the disadvantage of the time constraints in refueling these vehicles.

As a result of that trial program, in May of this year the Board of Supervisors urged the Airport and the Taxi Commission to develop a formal incentive program by October 31, 2000.

The program includes the following: Effective February 1, 2001 the first 60 CNG taxis put into service will receive front of the line privileges once per driver shift for two years. The second 50 CNG vehicles will receive front of the line privileges once per driver shift for 18 months. The third set of 50 vehicles will receive this privilege for one year.

In addition, the Airport will waive the trip fee initially for these front of the line trips. If the Board of Supervisors adopts legislation allowing drivers to pass through a portion of their trip fee, we may modify the trip fee incentive.

The Taxi Commission endorsed the program on September 12. The program is supported by the Airport's Clean Vehicle Policy adopted in February 2000.

The Airport has a CNG fueling station at the Millbrae View Lot. Trillium, who operates the facility for the Airport, has been doing such good business that they want to expand the facility. The Airport is looking into making some changes in the staging area to accommodate additional fueling capabilities.

Commissioner Crayton asked if CNG vehicles are cost prohibitive.

Ms. Sgourakis responded that the City is working to provide incentive funding to offset the cost. They are receiving funding from the Air District.

Commissioner Crayton asked what the taxi industry response to this has been.

Ms. Divine responded that they have been fairly supportive. One of the down sides, however, is that CNG taxis do not have as much luggage space.

Commissioner Strunsky asked if we have any plans to convert our vehicles.

Ms. Sgourakis responded that the Airport's Clean Vehicle Policy requires the purchase of clean vehicles.

We are moving to encourage hotels to use clean vehicles. The next group will most likely be the off-Airport parking shuttles and door-to-door vans. Similar incentive programs will be provided.

Commissioner Strunsky asked if we could provide incentives for the rental car companies.

Ms. Sgourakis responded that she believed that Budget was offering electric vehicles. We provide electric vehicle outlets in our public parking area as well as the Rental Car Facility to service these vehicles.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 through 16 were moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

11. Modification No. 7 of Professional Services Agreement to Contract No. 5510CM - Boarding Area A and Related Projects - Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc./Lee-Trenchard Consulting, A Joint Venture - $460,000

No. 00-0363 — Resolution approving Modification No. 7 of Professional Services Agreement to Contract 5510CM, Boarding Area A and Related Projects with Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc./Lee-Trenchard Consulting, A J.V., in the amount of $460,000. Funding for this Modification will be provided by the program wide Construction Management budget with no impact on the overall Master Plan Baseline Budget.

12. Reject All Bids - Contract No. 3565 - Terminal Upper Level Viaduct - Resurfacing

No. 00-0364 — Resolution rejecting all bids for Contract 3565, Terminal Upper Level Viaduct - Resurfacing, and authorizing the Director to re-bid the scope of this contract when ready.

Commissioner Crayton asked why the bids were being rejected.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that one of the problems with this contract is that we are using a type of material that no one is familiar with. We are going to break this contract into smaller segments in order to obtain bidders and provide the experience.

Commissioner Crayton asked if M/WBE participation will occur at this level.

Mr. Eavis responded that it should.

13. Modification No. 2 to Professional Services Contract with Reputation LLC for On-Going and Expanded Media Outreach Services for the New International Terminal and Other Special Services as Required - $197,000

No. 00-0365 — Resolution approving Modification No. 2 to Professional Services Contract with Reputation LLC in an amount not to exceed $197,000 for on-going and extended media outreach services for the opening of the New International Terminal and Other Special Services as required and extending the date of the contract to June 30, 2001.

14. Modification to Letter Agreement with the Metropolitan Transportation Commission for Studying Additional Combinations of Improvement at San Francisco International Airport, San Jose International Airport and Oakland International Airport for the Regional Airport System Plan Update - $100,000

No. 00-0366 — Resolution approving Modification to Letter Agreement with Metropolitan Transportation Commission for studying additional combinations of improvements at SFO, San Jose International Airport and Oakland International Airport and completing the Regional Airport System Plan Update in the amount of $100,000. The airport and airspace analysis study is being conducted by Bechtel and Roberts Roach Associates as requested by Bay Conservation Development Commission (BCDC) to include elements necessary for airports to obtain BCDC permits.

15. Authorization to Accept Bids for Boarding Area F Discretionary Lease

No. 00-0367 — Resolution authorizing staff to accept bids for the Boarding Area F Discretionary Lease.

16. Authorization to Accept Bids for Boarding Area F Cosmetic and Toiletries Lease

No. 00-0368 — Resolution authorizing staff to accept bids for the Boarding Area F Cosmetic and Toiletries Lease.

* * *

ADDENDUM TO CALENDAR:

Addendum Item No. 17 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

17. Amendment to Hotel RFQ

Mr. Bob Rhoades, Deputy Director, Business explained that by Resolution No. 00-0262 the Commission approved the final specifications for the RFQ/P for the hotel project. The selection was to be done in two parts. The first part requested qualifications from interested parties. The deadline for qualifications submittals was September 15.

Four submittals were received. Two submittals were rejected for being non-

responsive. One due to the lack of the required performance bond, and the other due to late receipt and the lack of a performance bond.

On September 28, 2000 an independent hotel panel met to review the other two submittals. Only one respondent was determined to be qualified.

In order to promote additional competition, Airport staff is recommending issuing an addendum to the qualification process which allows hoteliers who do not have a major property in close proximity to an international airport linked to a rail system be allowed to submit qualifications. Further, that the deadline for receipt of qualifications be extended.

Commissioner Ito asked why such sloppy work was being done by proposers.

Mr. Rhoades responded that he did not know. The qualifications package was quite clear as to what had to be submitted by September 15. The proposers indicated that they intended to submit at some future date, but that was not what was specified.

Commissioner Crayton did not remember the requirement for "international hotel" experience.

Mr. Rhoades responded that was in the original package. There was also a requirement that proposers must be familiar with some form of high speed transportation hook-up, similar to what SFO will have.

Commissioner Crayton asked if that was key to the operation of a hotel, noting that it will eliminate potential bidders.

She asked Mr. Rhoades if he knew what was causing this lack of interest. She wondered if the word "international" confused bidders.

Mr. Rhoades responded that he did not know, however, it was being removed from the requirements.

Commissioner Crayton asked Mr. Rhoades if he intended to keep the 400 room minimum.

Mr. Rhoades responded that the Airport hotel will have a minimum of 550 rooms. We believe that the operator has to have experience in operating a 400-500 room hotel. There is a great difference in operating a 200 room hotel as opposed to a 500 room hotel. The Airport Hilton had 524 rooms.

Commissioner Strunsky asked Mr. Rhoades when he was going out to bid.

Mr. Rhoades responded that he is extending the deadline for submitting qualifications. This is not the proposal phase. Once the qualifications have been submitted, they will be shortlisted and staff will return to the Commission for approval to enter the proposal phase.

Commissioner Strunsky thought this was a good idea.

Item No. 18 was put over to the next meeting.

18. Rejection of Proposals for Contract No. 7000.11, Cost and Schedule Control Services and Other Resources for the Runway Reconfiguration Program and Authorization to Reissue a Request for Proposals

Ms. Peg Divine explained that one year ago staff requested authorization to issue an RFP for a Cost and Schedule Control and Resources Contract. Two firms submitted proposals. We are not satisfied with the described approach to the scope of work submitted by either firm. Staff requests permission to reissue the RFP with a revised and expanded scope.

We have greatly increased the number of alternative configurations and no-build elements being studied for the program. Full environmental studies are being conducted on all of these alternatives, and have modified existing planning, environmental, soils engineering and added contracts with the Commission's authorization.

Engineering studies have moved forward in the last year and require careful review. This has increased the number of cost and schedule reports and analyses required. Federal money will be used for some of the environmental and preliminary engineering contracts. This will require pre-award audit reviews, use of Federal contract terms, and following Federal procedures in all selections and contract modifications. Many of these procedures are new to Airport employees.

Staff requests expanding the scope to include contract administration, document control, procedures writing, and an auditing firm, in addition to review of the additional contract work.

The detailed Cost and Schedule Control Services will include projections and trend lines for early spotting of potential delays or increase in costs at a time when it's early enough to develop a cost recovery or schedule recovery plan. This will allow us to stay on schedule and on budget.

The resources needed will include an Environmental Liaison Office, engineering review, right of way services, communications and managers for the program, marine structures, air space and permits.

Staff estimates cost and schedule control and resources needs to be $9,500,000 for the first year. Funding for this work is partially available through our existing planning budgets for cost and schedule control, communications, engineering, planning and environmental. The remaining portion of the funding will come from the sale of short term commercial paper until the Federal environmental clearance is complete. At that time commercial paper can be retired with the sale of Airport revenue bonds.

Staff is committed to the best analysis of every aspect of the project, presenting

all aspects of the program to the entire Bay Area community, and working with environmental groups to enhance the health of the Bay.

Commissioner Crayton said that she just received this item and has not had the opportunity to review it. Further, no one called her regarding this issue. She asked what the rush is on this.

Mr. Nardoza said that if there is some concern on the Commission's part regarding the lateness of this item, it should be continued to the next meeting.

Commissioner Ito agreed.

Ms. Divine explained that taking Federal money requires that they review our selection process and it took them a while to get back to us. During that time staff did a better job in estimating our resource needs.

Commissioner Strunsky said that he, too, wished that the Commission had been notified sooner, but was concerned about the delay in getting this request for proposals out and the effect that such a delay might have.

He felt, however, that this is the more responsible course of action rather than awarding a contract prematurely and then issuing a series of change orders.

Mr. Nardoza said that this item can be put over to the next meeting.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. Hank Wilson, San Francisco resident, raised the issue of an "airport passenger landing fee" as a painless way to raise revenue.

Commissioner Strunsky said that the Commission has already approved a "Passenger Facility Charge".

Mr. Nardoza added that the Commission approved a resolution authorizing staff to apply to the FAA to impose a $4.50 Passenger Facility Charge that is charged to each enplaning passenger at SFO. We expect that fee to go into effect June 1, 2001.

Mr. Wilson commented that at a previous meeting the Commission was told that they would receive a briefing regarding expanding runways into the Bay. He would like the public to have the same information that the Commission receives. If that briefing has occurred he would like a summary of it. If it has not happened, the public has a right to know when it does happen and what the Commission is being told.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:55 A.M.

Jean Caramatti
Commission Secretary

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AIRPORT COMMISSION

/00

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MINUTES

October 17, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
October 17, 2000

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AIRPORT COMMISSION MEETING MINUTES

October 17, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Larry Mazzola, Vice President Hon. Caryl Ito
	Hon. Linda S. Crayton arrived at 9:12 A.M.
Absent:	Hon. Michael S. Strunsky

* * *

C. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Berman and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Commendation for Hon. Mary Griffin, San Mateo County Board of Supervisor and Chairperson of the Airport/Community Roundtable

No. 00-0370

Mr. John Martin, Airport Director said that this resolution commends Supervisor Mary Griffin who currently serves as Chairwoman of the Airport/Community Roundtable and member of the San Mateo County Board of Supervisors.

Supervisor Griffin played a key role in forming the Roundtable which held its first meeting in 1981. The Roundtable is recognized as a model worldwide on how airport communities, the FAA and the airlines should work together. She recently testified before Congress on the success of the Roundtable model. She has done an extraordinary job in bringing all parties to work together in trying to reduce aircraft noise impacts on the communities.

This resolution will be presented to Supervisor Griffin at her retirement dinner in November.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Berman and seconded by Commissioner Ito. The vote to approve was unanimous.

2 Modification No. 27 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corp./Perini Corp./Buckley & Company, Inc. - $2,638,211

No. 00-0371 — Resolution approving Modification No. 27 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corp./Perini Corp./Buckley & Company, Inc., a Joint Venture in the amount of $2,638,211 for work related to changes to facilitate construction. Funding source is Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that the changes included in this modification have been carried in our forecast for a considerable time and they represent the final close-out of subcontractor scope within the overall contract. The proposed Commission action formalizes the forecasted changes by incorporating them into a contract modification.

Funding will be provided by a transfer from the Program Reserve budget.

The modification has been reviewed and approved by the Master Plan Advisory Board.

MBE/WBE subcontractor participation through this modification will be at the 18.1% MBE and 5.6% WBE participation levels, considerably in excess of both the base contracts 15% combined subcontracting goal and 10.3% original commitment.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Ito. The vote to approve was unanimous. Commissioner Crayton arrived during the discussion of this item

3. Modification No. 12 to Contract No. 5520E - Boarding Area G General Building Construction - Tutor-Saliba Corp./Perini Corp./Buckley & Company, Inc. - $1,270,004

No. 00-0372 — Resolution approving Modification No. 12 to Contract 5520E, Boarding Area G General Building Construction with Tutor-Saliba Corp/ Perini Corp/Buckley & Company, Inc. in the

amount of $1,270,004 for tenant infrastructure work in the International Terminal Building and work related to design revisions in Boarding Area G. Funding sources are the Tenant Utilities and Infrastructure Budget and Construction Contingency.

Mr. Kardos explained that this modification covers electrical infrastructure installation for tenant spaces in the new International Terminal Building and miscellaneous changes due to design revisions to facilitate construction.

The infrastructure work will be performed by the contractor on a time-and-materials basis and will be funded by a transfer from the Airport's Capital Improvement Program budget. The changes associated with design revisions will be covered by the contract's contingency budget. All costs have been included in our quarterly cost forecasts.

The work covered by this modification includes electrical, steel and concrete work performed by the contract's originally listed subcontractors for these crafts who are not MBE or WBE organizations. Consequently, the modification does not provide for MBE/WBE subcontractor participation. The contract's overall performance in this area, however, is at the 18.2% combined MBE/WBE participation level, only slightly below the base contract's 18.9% commitment.

Commissioner Ito asked if the tenant infrastructure is being completed.

Mr. Kardos responded that it is substantially complete.

Commissioner Mazzola asked how the four gates being used are working out.

Mr. Kardos responded that they are working very well. They are being used to iron out some of the glitches that are inevitable in a start up.

Item No. 4 was moved by Commissioner Berman and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Modification No. 6 to Contract No. 5905A - Inbound and Outbound Ramps and Structure - Myers/Kulchin-Condon, A Joint Venture - $1,984,817

No. 00-0373 — Resolution approving Modification No. 6 to Contract 5905A, Inbound and Outbound Ramps and Structures, with Myers/Kulchin-Condon, A Joint Venture, in the amount of $1,984,817, for change order work items. Funding is available in the project budget.

Mr. Kardos explained that this modification incorporates into the contract a number of changes aimed at improved Airport operations, responding to unexpected site conditions, mitigating adverse weather conditions and addressing

tasks transferred from other contracts.

The modification has been approved by the Master Plan Advisory Board and the cost has been included in the quarterly cost forecasts presented to the Commission. Funding is available in the contract's contingency budget.

Within this modification, the MBE and WBE participation will reach 17% and 3.8% respectively, exceeding the base contract's 14% and 3% respective goals.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 5 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. Authorization to Reissue a Request for Proposals and Authorization to Reject Proposals for Contract No. 7000.11 Cost and Schedule Control Services and Other Resources for the Runway Reconfiguration Program - $9,500,000

No. 00-0374 — Resolution authorizing to reject proposals for Contract 7000.11, Cost and Schedule Control Services and other Resources for the Runway Reconfiguration Program and authorization to reissue a Request for Proposals. Estimated amount is $9,500,000.

Ms. Peg Divine, Deputy Director, Airfield Development Bureau explained that a year ago she requested authorization to issue an RFP for a Cost and Schedule Control and Resources contract. Two firms submitted proposals. They are dissatisfied with both firms described approach to the scope of work.

They are requesting permission to reissue the RFP with a revised and expanded scope. They have greatly increased the number of alternative configurations and no-build elements being studied. Full environmental studies of all of these alternatives are being conducted. This has increased the number of cost and schedule reports and analyses required.

Staff recognized that this is will be a very large program and want to manage it in a fiscally responsible way. For these reasons they request expanding the scope to include contract administration, document control, procedures writing and an auditing firm, in addition to reviewing the additional contract work.

The detailed cost and schedule control services will include projections and trend lines for early spotting of potential delays or increased costs at a time when it is early enough to develop a cost recovery or schedule recovery plan. This will allow us to stay on schedule and on budget.

Staff recommends adding the following scope to the resources portion of the contract. An Environmental Liaison Office, engineering peer review, value

engineering, right-of-way services, communications and managers for the program, marine structures, air space and permits.

Staff estimates cost and schedule control and resource needs to be $9.5 million per year.

Staff is committed to the best analysis of every aspect of this program, to presenting every aspect of this program to the entire Bay community, and to working with environmental groups to enhance the health of the Bay.

Commissioner Ito asked about the new time line.

Ms. Devine responded that they would like to get the RFP out within the next week or so. Proposals would be received in November and the work would begin in January or February.

Commissioner Mazzola asked Ms. Divine if she believed that only the same two firms would re-bid.

Ms. Divine responded that they are hopeful that additional firms will bid. They are advertising in Engineering News Record, a national magazine.

Commissioner Mazzola asked if we advertised in that magazine before.

Ms. Divine responded that she did not believe that we did.

She believed that some consultants have been saving their efforts for the master structures engineering and earth fill contract. That RFP will be out concurrently so bidders will be able to see both scopes. She believed that will bring in more proposers.

Commissioner Ito asked for quarterly updates on how the planning phase budget is fairing. The Commission was provided with a detailed accountability on expenditures. We are due for a broad look at how we are moving along. It is helpful to keep an eye on the big picture of the planning phase.

Ms. Divine responded that they are working on the next quarterly report.

Commissioner Crayton assumed that the next quarterly report will show how these dollars have been expended.

Ms. Divine responded that it will.

Item No. 6 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Authorization to Exercise One-Year Option to Renew Bond Counsel Contract

No. 00-0375 Resolution authorizing the first of two one-year

options to renew the Airport's Bond Counsel contract with Orrick Herrington & Sutcliffe, LLP, Law Offices of Pamela S. Jue, Law Offices of Leslie M. Lava, and Lofton, Delancie & Nelson for a not to exceed amount of $1 million.

Mr. Martin explained that this authorizes the one year option. This contract has an overall 40% M/WBE participation rate.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 through 15 were moved by Commissioner Crayton and seconded by Commissioner Berman. The vote to approve was unanimous.

7. Award of Professional Services Contract with Roger Chinn for Aircraft Noise Consulting Services - $137,000

No. 00-0376 — Resolution awarding a Professional Services Contract with Roger Chinn to serve as community aircraft noise advisor to the Airport Director on noise mitigation issues in an amount not to exceed $137,000.

8. Modification No. 3 to Professional Legal Services Agreement - Remy, Thomas & Moose - $300,000

No. 00-0377 — Resolution approving Modification No. 3 to Professional Legal Services Agreement with Remy, Thomas & Moose to increase compensation by the amount of $300,000; all other terms and conditions of the contract to remain in full force and effect.

9. Modification No. 1 to Professional Services Agreement - Environmental Services - Parsons Engineering Science, Inc. - $200,000

No. 00-0378 — Resolution approving Modification No. 1 to Professional Services Agreement with Parsons Engineering Science, Inc. for Environmental Services to perform environmental review of Airport projects.

10. Modification No. 5 to Shuttle Bus Agreement - SFO Shuttle Bus Company - $350,000

No. 00-0379 — Resolution modifying the existing Shuttle Bus agreement with SFO Shuttle Bus Company to obtain four additional CNG low-floor transit buses in Spring 2002, at an estimated annual cost of $350,000 through the end of 2007.

11. Award of Boarding Area F Executive Writing Instruments Lease - Opportunity Systems Incorporated, Mont Blanc - Minimum Annual Guarantee: $50,000

No. 00-0380 — Resolution awarding the Boarding Area F Executive Writing Instruments Lease to Opportunity Systems Incorporated, Mont Blanc, with an initial Minimum Annual Guarantee of $50,000.

12. Bid Call - Contract No. 4299 - International Terminal Hair Salon

No. 00-0381 — Resolution approving the scope, budget, and schedule for Contract 4299, International Terminal Hair Salon, and authorize the Director to call for bids when ready.

13. Authorization to Conduct a Pre-Bid Conference - New International Terminal Building Arrivals Lobby Newsstand

No. 00-0382 — Resolution approving authorizing staff to conduct a Pre-Bid Conference for the International Terminal Building (ITB) Arrivals Lobby Newsstand Lease.

14. Modification No. 2 to the USWeb/CKS Website Development Contract Extending the Length of the Term to June 30, 2001, and Granting Consent to Assignment of USWeb/CKS Corporation to marchFIRST, Inc.

No. 00-0383 — Resolution authorizing the modification extending the length of the term and granting consent to assignment of USWeb/CKS to marchFIRST.

15. Reimbursement to Trans World Airlines, Inc. for Continued Interim Bus Service Linking the West Field Parking Garage to the Terminals - $337,400

No. 00-0384 — Resolution authorizing additional reimbursement to Trans World Airlines, Inc. ("TWA") for providing employee busing from the West Field Parking Garage to the terminals in an amount not-to-

exceed $337,400.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:25 A.M.

Sally Osaki
Acting Commission Secretary

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MINUTES

October 31, 2000
Special Meeting
9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Special Meeting of
October 31, 2000

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ITEMS INITIATED BY COMMISSIONERS:		
		Runway Reconfiguration Program		3
		M/WBE Opportunities		3
D.		POLICY:		
	1.	Airport's Nondiscrimination Policy for Tenants and Service Providers	00-0385	3-4
E.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 5 to Contract 5521A - Boarding Area G Apron Construction - Pavex Construction, A Division of Granite Rock Company	00-0386	4-5
	3.	Modification No. 10 to Contract 5515C - Security and Special Systems - Terminal Systems - SASCO Electric	00-0387	5-6
	4.	Modification No. 8 to Contract 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation	00-0388	6
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Award Contract 4358 - On-Call Entrance Roadway and Other Paving - Troy's/Ghilotti Brothers, A Joint Venture	00-0389	7
	6.	Award Contract 4181 - Facilities Mechanical Systems Improvement - Schram Construction	00-0390	7
	7.	Award Contract 4297 - Facility HVAC Improvements - Resource and Design, Inc.	00-0391	7
	8.	Modification No. 24 to Legal Services Agreement Noise/Environmental Contract - Morrison & Foerster	00-0392	7

	9.	Modification No. 2 to Rita Barela Productions for the Planning and Execution of the Opening of of the New International Terminal	00-0393	7-8
	10.	Modification No. 1 to Professional Services Contract - Multi-Modal Transportation Center - Walker Parking Consultants	00-0394	8
	11.	Supplemental Noise Insulation Funding Agreement with the City of So. San Francisco	00-0395	8
	12.	Supplemental Noise Insulation Funding Agreement with the City of San Bruno	00-0396	9
	13.	Authorization to Issue a Request for Proposals for Graphic Design Services for the Annual Report and Airport Publications for the Public	00-0397	9
G.		NEW BUSINESS:		9
H.		CORRESPONDENCE:		9
I.		ADJOURNMENT:		9

AIRPORT COMMISSION SPECIAL MEETING MINUTES

October 31, 2000

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Michael S. Strunsky Hon. Linda S. Crayton Hon. Caryl Ito
Absent:	Hon. Larry Mazzola

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton asked that the Commission be notified prior to a press conference and provided with information before it is taken to the public.

Commissioner Crayton noted that Rodney Slater and the FAA recently supported a workshop at an Eastern airport regarding MBEs and how they can avail themselves of opportunities at airports. She suggested that staff take a look at their website and start providing information on what will become available at SFO on a yearly basis.

* * *

D. POLICY:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Airport's Nondiscrimination Policy for Tenants and Service Providers

No. 00-0385	Resolution approving the Airport's Nondiscrimination Policy and allowing the Airport Director to investigate all complaints of discrimination or harassment on the part of Airport tenants or service providers and to take appropriate corrective action when necessary, including but not limited to, requiring the tenant or service provider to provide diversity/cultural

sensitivity training to its airport based employees.

Mr. John Costas, acting Airport Director explained that the Commission and the City have numerous policies in place dealing with nondiscrimination in the workplace.

Last March staff conducted a survey of tenants and service providers to determine if they were providing employee diversity training. Most tenants were providing training, however, some tenants and construction contractors do not.

The Commission adopted a policy in April to encourage those groups to provide diversity training.

Recently, the Commission asked for a policy which would allow the Airport Director to address discrimination complaints coming from tenant employees. The City Attorney opined that such a policy is permissable.

The policy before the Commission today would allow the Director to implement and enforce the provisions of this policy and to take appropriate corrective action which would include, but not be limited to, imposing requirements that the tenant or service provider provide diversity and cultural sensitivity training to its Airport-based employees.

Commissioner Ito asked when this corrective action would occur.

Mr. Costas responded that we would take immediate action.

Ms. Mara Rosales, Airport General Counsel responded that the resolution indicates that the policy takes effect immediately. Tenants will be advised of this policy as soon as possible. Any pending complaint that has not been addressed could be then addressed by the Director pursuant to this policy.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Berman and seconded by Commissioner Strunsky. The vote to approve was unanimous.

2. Modification No. 5 to Contract No. 5521A -Boarding Area G Apron Construction Pavex Construction, A Division of Granite Rock Company - $5,800,000

No. 00-0386 — Resolution approving Modification No. 5 to Contract 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Company, in the amount of $5,800,000 for changes in the International Terminal Building tenant infrastructure and utilities extensions, Master Plan Activation requests, and scope transfers from other Master

Plan projects. The funding sources are the Capital Improvement Program budget, budget transfers from Contracts No. 5515 and 5500E and Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification incorporates changes associated with tenant infrastructure extensions, Master Plan activation requirements, scope transfers from other projects and various design revisions to facilitate completion of construction.

The modification has been approved by the Master Plan Advisory Board.

Funding will be provided by the Airport's Capital Improvement Program budget, Program Reserve and contract contingency. The costs have been included in our cost forecasts presented to the Commission.

The scope of the modification does not provide the opportunity to match the 8% MBE and 2% WBE subcontract participation levels. The participation within this modification will be at the 6% MBE and 0% WBE participation level. The cumulative totals for the overall contract through this modification do meet the base contracts 8% and 2% respective commitments.

Commissioner Strunsky asked if this is on schedule.

Mr. Kardos responded that it is.

Commissioner Strunsky noted that there is significant overtime and asked if some of it is due to the fact that some contractors had trouble finishing their work on schedule.

Mr. Kardos responded that some of it is related. The acceleration costs are caused by various issues, one of them being the errors and omissions.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

3. Modification No. 10 to Contract No. 5515C - Security and Special Systems - Terminal Systems - SASCO Electric - $3,836,077

No. 00-0387 — Resolution approving Modification No. 10 to Contract 5515C, Security and Special Systems - Terminal Systems, with SASCO Electric, in the amount of $3,836,077 for work related to design changes to facilitate construction. Funding sources are transfers from the Capital Improvement Program, from Program Reserve and the Contract's contingency budget.

Mr. Kardos explained that this modification covers changes in response to design

revisions to accommodate requests by airline tenants and miscellaneous changes to facilitate construction.

The modification has been approved by the Master Plan Advisory Board and the cost has been included in our quarterly forecast.

Funding will be provided by transfers from the Airport's Capital Improvement Program budget, from Program Reserve and contract contingency.

The scope of the modification does not provide the opportunity to match the 8% MBE / 2% WBE subcontractor participation levels established for the base contract. The participation within this modification will be at the 6% MBE and 0% WBE levels. The cumulative total, however, for the overall contract through this modification do meet the base contract's 8% / 2% respective commitments.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 8 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - $2,098,353

No. 00-0388 — Resolution approving Modification No. 8 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation in the amount of $2,098,353 for work related to design changes to facilitate construction. Funding sources are transfers from the Capital Improvement Program, Program Reserve and the Contract's Contingency Budget.

Mr. Kardos explained that the proposed modification incorporates into the contract changes related to the Fire Marshal's requirements and miscellaneous changes primarily related to the fire alarm system.

The modification has been approved by the Master Plan Advisory Board and the costs were included in our forecast presented to the Commission in our quarterly report.

Funding sources for this modification are the contract's contingency budget, Program Reserve and the Capital Improvement Program budget.

Within this modification the 9.8% MBE and 10.7% WBE subcontractor participation exceeds the base contract's 8% and 2% respective goals. The cumulative totals for the overall contract through Modification No. 8 are at the 12.5% MBE and 11.7% WBE participation levels, well in excess of the base contract's commitment.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 5 through 12 were moved by Commissioner Strunsky seconded by Commissioner Ito. The vote to approve was unanimous.

5. Award Contract No. 4358 - On-Call Entrance Roadway and Other Paving Troy's/Ghilotti Brothers, A Joint Venture - $554,600

No. 00-0389	Resolution awarding Contract No. 4358, On-Call Entrance Roadway and Other Paving, to the lowest responsive, responsible bidder, Troy's/ Ghilotti Brothers, A Joint Venture, in the amount of $554,600.

6. Award Contract No. 4181 - Facilities Mechanical Systems Improvement - Schram Construction, Inc. - $446,000

No. 00-0390	Resolution awarding Contract No. 4181, Facilities Mechanical Systems Improvement, to the lowest responsive, responsible bidder, Schram Construction, Inc., in the amount of $446,000.

7. Award Contract No. 4297 - Facility HVAC Improvements - Resource and Design, Inc. - $229,540

No. 00-0391	Resolution awarding Contract No. 4297, Facility HVAC Improvements, Year 2000/2001, to the lowest responsive, responsible bidder, Resource and Design, Inc., in the amount of $229,540.

8. Modification No. 24 to Legal Services Agreement - Noise/Environmental Contract Law Firm of Morrison & Foerster, LLP - $500,000

No. 00-0392	Resolution approving Modification No. 24 to Legal Services Agreement (Noise/Environmental Contract) with Morrison & Foerster, LLP to increase compensation by the amount of $500,000; all other terms and conditions of the contract to remain in full force and effect.

9. Modification No. 2 to Rita Barela Productions for the Planning and Execution of the Opening Events for the New International Terminal - $350,000

No. 00-0393	Resolution modifying contract with Rita Barela Productions in an amount not to exceed

$350,000 for the final planning and execution of the opening events in the New International Terminal.

Commissioner Ito asked if Rita Barela was receiving a percentage.

Mr. Peter Nardoza, Deputy Director, explained that the budget is based on a management fee for the events that comes from the money we raised. To date we have approximately $1,100,000. We expect over time to raise $1,200,000 to $1,250,000. All of those monies will be spent both on her management fee and on the actual events themselves.

This resolution will allow us to grow to $1,500,000 and expend up to $1,500,000. However, there is no guarantee we will reach that level.

If needed, the Airport will put some revenue into the fund for the Community Open House only.

Commissioner Ito said that Ms. Barela needs to improve her check-in process. The initial event was a problem because the check-in became so bogged down. There did not appear to be much preparation involved.

Commissioner Strunsky noted that this resolution modifies the schedule to include an event for the Consular Corps and the Host Committee. Has it been scheduled?

Mr. Nardoza responded that it has been scheduled for November 14. Mrs. Schultz of the Mayor's Office is arranging that luncheon.

10. Modification No. 1 of Professional Services Contract - Multi-Modal Transportation Center - Walker Parking Consultants - $25,000

No. 00-0394 — Resolution approving Modification No. 1 of Professional Services Contract with Walker Parking Consultants to extend "Pay-On-Foot" study to the proposed Multi-Modal Transportation Center at Lot DD as additional services in the amount of $25,000.

11. Supplemental Noise Insulation Funding Agreement with the City of South San Francisco - $3 million

No. 00-0395 — Resolution authorizing supplemental funding agreement not to exceed $3 million with the City of South San Francisco for completion of Aircraft Noise Insulation projects.

12. Supplemental Noise Insulation Funding Agreement with the City of San Bruno - $2.1 million

No. 00-0396 — Resolution authorizing supplemental funding agreement not to exceed $2.1 million with the City of San Bruno for Aircraft Noise Insulation of non-residential structures in the 4th quarter 1999 State 65 dB CNEL Contour.

13. Authorization to Issue Request for Proposals for Graphic Design Services for the Annual Report and Airport Publications for the Public

No. 00-0397 — Resolution authorizing Director to issue request for proposals for graphic design services for the annual report in the amount of $110,000.

Commissioner Crayton supported the availability of M/WBEs for this contract.

Mr. Nardoza responded that a WBE has held the contract for the last three years. We are very interested in seeing M/WBE participation.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:22 A.M.

Jean Caramatti
Commission Secretary

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MINUTES

November 21, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
November 21, 2000

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular Meetings of October 3, 2000 and October 17, 2000 and the Special Meeting of October 31, 2000	00-00398	4
D.		DIRECTOR'S REPORTS:		
	1.	Briefing on Alternatives and Construction Methodologies Being Considered in Environmental Documents for the Runway Reconfiguration Program		4-10
	2.	Report on the Status of the Master Plan Program		10-11
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Compliments to Staff on Meeting Target Date for Opening the New International Terminal		12
		ADA Requirements		12
F.		POLICY:		
	3.	Aviation Library and Museum Special Event Policy	00-0399	12
G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	4.	Sale of Airport Revenue Bonds, Issue 26 $238.2 million	00-0400	13
	5.	Modification No. 2 to Contract 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corp.	00-0401	13-14
	6.	Modification No. 2 to Contract 5700B - AirTrain Guideway, Westside - Tutor-Saliba Corp.	00-0402	14
	7.	Modification No. 3 to Contract 5700 A - AirTrain		

		Guideway, East Loop - Tutor-Saliba Corp.	00-0403	15
	8.	Modification No. 9 to Contract 5515.3 - Security & Special Systems - Holmes 7 Narver	00-0404	15-16
	9.	Modification No. 5 to Contract 5500F - International Terminal Baggage System - BAE Automated Systems, Inc.	00-0405	16
	10.	Modification No. 5 to Contract 5515A - Security & Special Systems, Security Systems - AMELCO Electric	00-0406	17
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	11.	Modification No. 2 to Contract 4240 - Environmental Impact Studies for the Runway Reconfiguration Program - URS Corp.	00-0407	17-18
	12.	Award of Advertising Program Lease - Transportation Media, Inc.	00-0408	18-19
	13.	Award of high Speed Wireless Internet Master Lease - Aerzone	00-0409	19
	14.	Authorization to Conduct a Pre-Proposal Conference for Boarding Area F SFO Cyber Room - Technology Showcase Concession	00-0410	20
I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	15.	Modification No. 7 to Contract 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates	00-0411	20
	16.	Modification No. 2 to Professional Services Contract 4002 - Environmental Planning Services for the Runway Reconfiguration Program - Environmental Science Associates (ESA)	00-0412	20-21
	17.	Official Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness	00-0413	21
	18.	Award Contract 4333 - Facilities Fire Protection Improvement, FY 2000/2001 - Value Fire Protection	00-0414	21
	19.	Bid Call - Contract 3828 - Electrical Power		

		Distribution Improvements, North Field	00-0415	21
	20.	Bid Call - Contract 4200 - North Terminal Power Distribution System Improvements	00-0416	21
	21.	Bid Call - Contract 3845 - South Terminal Fall Protection System	00-0417	21-22
	22.	Bid Call - Contract 3846 - East Terminal Fall Protection System	00-0418	22
	23.	Reimbursement to San Francisco Foreign Flag Carriers (SFFFC) to Provide a Dedicated Airfield Bus Service for Remote Aircraft Operations	00-0419	22
J.		NEW BUSINESS:		22
K.		CORRESPONDENCE:		22
L.		CLOSED SESSION:		
		Settlement: N&C International Potential Litigation		22-23
M.		ADJOURNMENT:		23

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Larry Mazzola, Vice President Hon. Linda S. Crayton Hon. Caryl Ito
Absent:	Hon. Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 3, 2000 and October 17, 2000, and the special meeting of October 31, 2000 were adopted unanimously.

No. 00-0398

* * *

D. DIRECTOR'S REPORTS:

1. Briefing on Alternatives and Construction Methodologies Being Considered in Environmental Documents for the Runway Reconfiguration Program

Presentation on Do Nothing, No Build-Systems Management and Technology, and four Build Alternatives; Presentation of Alternative Construction Methodologies by Chair of Blue Ribbon Panel.

Mr. Stuart Sunshine, Director, Airfield Development explained that there are four main reasons why the Airport undertook this effort. Those reasons are the delay factor, noise, new large aircraft, meeting the increasing demand for air transportation, both passenger and cargo traffic, which is essential to the economic health of the Bay Area.

The Airport is in the process of an environmental impact report and statement, being shepherded by the FAA and the San Francisco Office of Environmental Review.

All options are being explored to avoid construction into the Bay, however, if construction is necessary it will be kept to a minimum while achieving the stated goals.

Staff is looking at a broad range of alternatives. The field has been narrowed to six which are being analyzed in the environmental document. It is important to note that no decision has been made on a runway reconfiguration. The environmental documents will not be complete for another year. We continue to gather the best information possible so that an informed decision can be made.

No decision has been made on the best construction methodology for any of the build alternatives. The Commission recently received a copy of the Blue Ribbon report regarding their findings after an independent review of five design concepts. They are providing a recommendation for further analysis. That information will be brought before the Commission in the next few Commission meetings. It will provide the Commission with an independent high level engineering and construction overview of proposed construction concepts if a decision to build is made.

It will help us recognize early in the process any potential problems and/or challenges. Staff will evaluate the findings and make final recommendations to the Commission. In order to understand full environmental impacts, the Airport must select a preferred construction method to assess the impact on the environment.

In good weather the runways can accommodate simultaneous arrivals bringing in 60 aircraft in an hour. In poor weather, with parallel intersecting runways, our capacity is reduced by half.

The first alternative is "No-build" or Do-nothing" as required to be carried in an environmental document. Under this alternative we would continue to have problems in perpetuity.

The Blue Ribbon Panel was asked to consider service loads, design life and earthquake and settlement issues. We are looking at a 100 year design standard.

The Blue Ribbon Panel looked at the five design concepts authorized by the Commission. In order to look at the design concepts we need to take a look at the "ground profile." There is a tremendous amount of Bay mud and layered sediments that must be considered. Soft "young bay mud" is at the top. This layer would have to either be removed or strengthened in order to accommodate any kind of structure.

The three concepts looked at by the Blue Ribbon Panel were (1) a sunken structure, which is a podium construction with a deck and a bottom that sits on the Bay floor, (2) pile supported runways, which is a traditional support used on piers, and partially in use at La Guardia. Piles would be driven approximately 200 feet with a deck on top. (3) Earth-fill which is standard construction for off-shore components.

Mr. Matt Mead, Airfield Development explained that the new technologies that would likely help with airfield capacities are the "Precision Runway Monitor" recently approved by the Commission, and the SOIA flight procedures, in addition to Global Positioning Satellites, traffic management softwares that NASA and the FAA are collaborating on, demand management which includes a legal process for access restrictions, marketing arrangements, pricing and alternative facilities and joint operating arrangements.

Traditional radar reacts once every four seconds. The new radar reacts once every second, giving Air Traffic Controllers more information on what's happening and when. A navigation beacon is set up at an angle off the runways, simulating a path at a wider course to the Airport. As the planes get closer they reach a spacing that more widely spaced runways would allow at a lower elevation. This would give us eight more arrivals in bad weather, bringing us up to 38 from 30, as opposed to 60 in good weather.

The next technology being worked on by NASA is AILS (Airborne Information Lateral Spacing). In the SOIA process, when planes get too close together with radar, Air Traffic Controllers inform the pilots that there is a problem. With this software, planes get the same information at the same time as the Controllers. That technology may bring the runways closer together, but not 750 feet apart. For our purposes it does not help our specific situation.

Another computer software being added is AVOS which is essentially a lot of antennas on the airfield that identify weight turbulence as aircraft near the Airport. That may add a few more planes an hour than we have today.

A prototype is being evaluated in Dallas for intersecting runways, but not runways this close together.

The FAA is installing software at their regional centers for radar control. It allows Air Traffic Controllers to manage traffic more precisely to the airspace for the SFO region. That software, coupled with "Final Approach Spacing," insures that one plane is in exactly the right position behind the other. Today, Air Traffic Controllers make an educated guess as to the right spacing distance for the next plane. This software takes away some of that guessing.

Required navigation performance tightens up the standards between airplanes and the type of information they receive. It gives them more direct course guidance.

ADSB, much like the AILS, gives aircraft and controllers more precise information to each other. It is unlikely to give added capacity.

Given the issue of distance, the only technologies that can be identified that will give us more capacity is the PRM/SOIA, which we are already pursuing. The technologies that may add 10% capacity is the AILS system, the AVOS system and the traffic management system.

Technologies that will not enhance capacity is the Global Positioning System

(GPS), the Wide Area Augmentation System, the Local Augmentation System, the ADSP and the RNP.

Mr. Lyn Calerdine, Airfield Development explained that another way we might be able to avoid the need for runway reconfiguration is Demand Management, which includes the use of pricing, regulation, taxes to bring down the level of demand on a transportation system and thus increase efficiency and avoid delays. This can be used in lieu of capacity enhancement, such as runway reconfiguration, either as a temporary or permanent measure. Such familiar examples are car/bus pool lanes, ramp meters, peak hour pricing and increased parking fees.

Airlines have yield management schemes which maximize the use of their capital investments and their labor force.

During bad weather days at SFO we have flow control, limiting the number of flights that can arrive.

Other airports ... La Guardia, JFK and O'Hare ... have slot controls at all times.

Other examples of demand management would be the development of an alternative airport.

These need to be considered at SFO for a variety of legal reasons. Prior to the approval of any field for new runways at SFO we must demonstrate that there are no feasible alternatives to filling in the Bay. That is a requirement of the Clean Water Act and McAteer Petris Act, among others.

Demand Management at SFO might reduce delays and noise by reducing the number of flights and/or passengers. The Legislature, regulatory agencies and members of the public have all requested SFO consider a demand management alternative in the runway reconfiguration EIR.

There is a variety of additional Demand Management strategies we can consider, including various forms of flight limitations, pricing, administration and marketing and providing alternative facilities. Airfield Development, the FAA and the San Francisco Office of Environmental Review have been studying these for the past year and have developed a recommended set of Demand Management strategies for consideration in the EIR. They would include the implementation of full-time slot controls at SFO. We would set the maximum number of hourly arrivals closer to the poor weather capacity of the airfield. The result would be fewer delays, less noise, and fewer flights and loss of service.

We would establish a Bay Area Joint Operating Authority for airports that would seek to shift some of the flights from SFO to other Bay Area airports and some form of high speed transit connection ... rail or ferry ... between SFO and Oakland. Some of these are requirements of SB1562 passed by the Legislature.

Slot controls are the one form of Demand Management guaranteed to work. Some of the other forms might work but are under the control of others, or have other problems associated with them. Slot controls have been used at other

delay prone airports in the U.S. and around the world. However, all forms of flight limitations, including slot controls, would likely require Congressional approval due to conflicts with the Airline Deregulation Act. All of the airports that have current slot controls have them under Congressional mandate

The EIR will focus on answering the following questions: (1) Can Oakland and San Jose accommodate a shift in flights from San Francisco? (2) What environmental impacts would result from this proposal? (3) Would there be a loss in overall Bay Area air service? (4) Would the price increase?

Institutional issues would also have to be addressed with a Joint Operating Authority.

What is the likelihood that Congress would pass legislation allowing slot controls? What would the economic consequences be to SFO and the City and County of San Francisco as a result of flight limitations?

The EIR will consider two basic ways of reducing delays at SFO ... increasing the poor weather capacity through runway reconfiguration, or decreasing delays by reducing the number of scheduled flights and encouraging them to go elsewhere.

Commissioner Ito asked if the EIR analysis would be more comprehensive if it included the Bay Area region.

Mr. Sunshine responded that we are taking a look at how shifting airlines from one airport to another would impact airspace, as well as the impact to demand on the three Bay Area airports.

Commissioner Ito asked where we were with the SOIA/PRM?

Mr. Martin responded that it is in the environmental assessment phase with the FAA. The Airport has signed the contract to install the system and it should be up and running by the end of next year.

Commissioner Crayton asked if we aren't already doing flow controls.

Mr. Martin responded that when we proposed rule making on Part 161 last fall there was opposition from the airlines. When the FAA institutes flow controls on a given day to restrict the flow of aircraft the flow is not restricted on a sound management basis, it is more arbitrary in terms of limitations on which planes are held at the gate. Management flow control to limit the impact to West coast airports has severe restrictions on flights on those regions as opposed to other parts of the country.

Commissioner Crayton noted that Oakland and San Jose Airports are nearing their capacity as well and assumed that they will be in the same situation we are in. She agreed that our approach should have SFO as the emphasis. We should keep in mind that they will reach capacity shortly and how legislation and their issues will impact the decisions that need to be made at SFO.

She asked Mr. Sunshine if he has prepared a budget.

Mr. Sunshine responded that regional planning has been actively worked on for the last couple of years by SFO, Oakland and San Jose. The Regional Airport Systems Plan Update, recently passed by the Regional Airports Planning Committee, which Mr. Martin sits on, states that both Oakland and San Francisco will have to begin to figure out a way to address capacity issues, given the demand on the Bay Area over the next 10 to 20 years.

He will present the Commission with an update on the budget in the next few weeks.

Commissioner Crayton asked how Airfield Development will impact the Airport in how the analysts see us in terms of bond ratings.

Mr. Martin responded that the Airport has one revenue stream that backs all Airport bond issues. Revenue bonds that are sold to support Airfield Development's new runways will be backed by the Airport's General Revenue Fund. The rating agencies look at all of the Capital Projects, including the runways, and the overall revenue stream in evaluating our credit worthiness.

Commissioner Crayton assumed that there is no duplication of effort on work that is being done on the Airport's basic infrastructure and on work that is included in the Airfield Development Program.

Mr. Sunshine responded that he works with the Airport Director to make sure that there is no duplication of effort. This is a very specialized program involving marine structures construction, the environmental effort and airspace analysis. While it is unique, it is still part of the Airport family and everything is done with Mr. Martin.

Mr. Patrick Gorman, San Francisco resident said that he recently read an article in the Chronicle regarding a panel of seven experts who opined that a land fill option might be the best choice among those being considered for the new runways at SFO. He suggested that the use of land fill would seriously jeopardize San Francisco's position as a pre-eminent airport on the Bay. San Francisco would set a precedent in using land fill that would open up the opportunity for San Jose and Oakland to do the same, aligning them to compete with San Francisco for international flights.

His plan would achieve the three criteria for runway reconfigurations specified in Item 4.1 of the SFO Runway Reconfiguration Study published last year. It would radically reduce aircraft noise and airfield delay while accommodating new large aircraft without any serious ecological damage to the Bay.

He asked for the opportunity to make a funding proposal to the Commission to develop and test his plan.

Mr. Gorman said that he is a retired boiler maker from Local 6 who worked in the shipyards as a shipfitter, a rigger, boiler maker and welder. He has worked on

many ships, including the Coral Sea, Enterprise, Carl Vinson and Abraham Lincoln. He is currently employed as an installer and decorator for Local 510, the Sign Decorators Union, at Moscone Center and elsewhere.

Ms. Jane Selisnow, representing the Sierra Club said that they are concerned about any proposal that would fill in two square miles of San Francisco Bay and the resulting environmental damage it will cause. This will be one of their highest priorities over the next several years.

They are looking to the Airport to consider all alternatives in great detail before a proposal comes forward to fill in San Francisco Bay. They are disappointed by the recent briefings on the demand management and systems management options described today.

There are many lists of possible ways that the noise and delay problems could be solved at SFO that have been recommended for study, yet the number of options under consideration has been whittled down.

She asked that a Blue Ribbon Panel be convened to look at possible options that would not include Bay fill.

Mr. Hank Wilson, San Francisco resident, said that he hoped there would be more exploration of alternatives. The impact on San Jose and Oakland show that a regional approach is the most prudent. If we are concerned about capacity we will have the same issues in the future.

Mr. Martin said that members of the public can receive copies of the reports produced so far by calling Candace Bender of the Airfield Development press office.

Commissioner Crayton noted that the information being presented today is not entirely new information. The Commission has been hearing this for two years. The public has heard it, the press has covered it, and we have studied all of the alternatives. The public has had the opportunity to participate in those discussions.

2. Report on the Status of the Master Plan Program

Report on the status of the Master Plan Program for the third quarter of 2000 commencing September 15.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that through the third quarter 2000, the Airport awarded $2.65 billion in contracts, or 93% of the program budget excluding allowable contingency and program reserve. In terms of construction only, a total of $2.131 billion, or 93% of the budget has been awarded through the reporting period. There was one new construction contract award during the last quarter for $8 million for the Police Main Station. Total awards during this quarter amounted to $85 million, including

contract modifications in both construction and professional services.

Invoices approved since the last report totaled $131 million, bringing the total invoiced amount to $2.43 billion.

Contingency usage allocated to date to change orders and proposed change orders is $163 million, or 110% of the $147 million base contingency budget. Contingency allotted to change orders, proposed change orders and trends is $169 million, or 115% of the baseline contingency budget.

Current forecast of Master Plan expenditures, excluding program reserves, through program completion is $2.491 billion, a $37 million increase relative to the previous report. The current program reserve budget is $50 million. The forecast for program reserve at completion is $12 million.

The total program reached 88% completion with 87% design/construction management/administration completion and 88% construction completion. The total Master Plan program earned percent complete is 98.5%, excluding the facilities to be completed after the opening of the main facilities on December 10, 2000.

The International Terminal Building is 99% complete with completion scheduled for December 2000. Both Boarding Areas A and G are complete with punchlist work proceeding.

Elevated Circulation Roadways and the Inbound/Outbound Ramps are complete and open to the public.

The AirTrain Operating System supply contract continues in its construction phase with an overall completion level of 46%. The forecast for substantial completion is the first quarter of 2002 without any mitigation measures considered yet.

The tenant improvement work continued this quarter with construction completion scheduled to meet full operation in December 2000.

The Security and Special Systems contracts are on schedule for project completion in December 2000. The acceptance testing of the fire/life/safety systems started during the third quarter reporting period with the Temporary Certificate of Occupancy (TCO) obtained for the International Terminal on November 15.

In the area of job safety, our actual rate of 8.92% for recordable incidents is below the 9.50 Federal rate. Our lost time incident rate of 3.85 is lower than the national average of 4.40. The MBE/WBE participation is 23.0% / 5.0% respectively on the program level. A breakdown by major sub-areas is presented in the report.

In summary, the International Terminal Complex with 20 available gates is proceeding on schedule for full operation on December 10, 2000 while remaining within the overall program budget of $2.85 billion.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito recognized Mr Martin and his staff for the long hours, dedication and determination in opening on the targeted date.

Mr. Martin said that many employees and contract workers have been working 12-14 hour days, six and seven days a week.

Commissioner Crayton concurred with Commissioner Ito. She was surprised by recent comments in the newspapers this week. The Commission supports the staff.

Commissioner Crayton asked how we are doing with disability ramps on our vehicles.

Mr. Martin responded that all of our on-airport buses are ADA compliant. Our commercial bus operators and van operators are also compliant. He will ask for a detailed report for the Commission from Landside Operations.

Commissioner Crayton asked if we have used ethnic newspapers to advertise the opening on December 3.

Mr. Peter Nardoza, Deputy Director, Public Affairs responded that he will look into it. The Chronicle is our main vehicle, as well as KTVU Channel 2.

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F. POLICY:

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 3 was approved unanimously.

3. Aviation Library and Museum Special Event Policy

No. 00-0399 — Resolution adopting a Special Events Policy for the Aviation Library and Museum.

Mr. Martin explained that this resolution establishes broad parameters for policy on the use of the new Museum space for special events. It would restrict the space to corporations and non-profit organizations and prohibit use by political and religious fundraising groups. It would allow the Director to set the fees which will probably be in the range of $6,000 to $8,000 per event for corporation, with a 50% discount for non-profits.

Organizations who use the space will be required to use catering services available from the food and beverage tenants in the new International Terminal.

* * *

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. Item No. 4 was approved unanimously.

4. Sale of Airport Revenue Bonds, Issue 26 - $238.2 million

No. 00-0400 — Resolution authorizing the sale of not-to-exceed $238.2 million principal amount in Airport Revenue Bonds to finance the Near-Term Master Plan, and the delegation of authority to the Airport Director to implement the bond sale within certain parameters established by the Commission.

Mr. Marcus Perro, Deputy Director, Finance explained that a financing plan was developed for the current Master Plan that contemplated approximately $2.85 billion in bonds. This is the last bond sale under that authorization, bringing us up to the authorized amount.

The bond sale is slated for December 7. This item authorizes the Director to execute the bond sale on a competitive basis to the lowest bidder. A 6% interest rate is projected, as compared to a 5.7% that we received in March 2000. We will report the results of the sale to the Commission.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 5 was approved unanimously.

5. Modification No. 2 to Contract No. 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corporation - $7,780,364

No. 00-0401 — Resolution approving Modification No. 2 to Contract 5670A, Concourse H/AirTrain Station & North International Parking Garage, with Tutor-Saliba Corporation in the amount of $7,780,364 for changes related to Airport operations, AirTrain Operating System requirements, BART requirements and design changes to facilitate construction. The funding sources are contract contingency and the Airport's up to $200 million contribution to the BART-SFO Extension Project.

Mr. Kardos explained that the modification presented in this item provides for changes associated with the smoke evacuation system upgrade for the Airport BART station, the installation of the Computerized Parking Control System in the North Garage and miscellaneous design changes to facilitate construction.

This contract modification has been reviewed and approved by the Master Plan Advisory Board and the costs are included in our quarterly forecast. Funding will be provided by the Airport's "up to $200 million" contribution to the BART/SFO extension and the contract's contingency budget.

This modification provides for 26.2% MBE and 2.1% WBE participation, exceeding the base contract's 21.1% and 1.2% respective commitments.

Item No. 6 was approved by Commissioner Crayton and seconded by Commissioner Mazzola. Item no. 6 was approved unanimously.

6. Modification No. 2 to Contract No. 5700B - AirTrain Guideway, Westside Tutor-Saliba Corporation - $2,909,703

No. 00-0402	Resolution approving Modification No. 2 to Contract 5700B, AirTrain Guideway, Westside, with Tutor-Saliba Corporation, in the amount of $2,909,703 for changes related to Airport operations, AirTrain Operating System requirements, Airline operations, BART requirements, unforeseen site conditions and design changes to facilitate construction. The funding sources are Program Reserve, contract budget transfer, and Airport's up to $200 million contribution to the BART-SFO Extension Project.

Mr. Kardos explained that this modification, reviewed and approved by the Master Plan Advisory Board, will incorporate into the contract changes necessitated by Airport Operations, by the AirTrain Operating System requirements, BART system requirements and miscellaneous design changes.

The cost of this modification was included in our quarterly forecast. Funding sources are budget transfers from the AirTrain Operating System budget, from program reserve and from the Airport's "up to $200-million" contribution to the BART/SFO extension.

The modification's scope does not provide for any MBE participation, but does accommodate 7.9% in work performed by WBE firms. The cumulative totals for the modified contract reach 13.2% MBE and 1.9% WBE participation levels, in substantial compliance with the base contract's 13.5% and 1.71% respective commitments.

Commissioner Crayton asked what happened with M/WBEs?

Mr. Kardos responded that the particular scope of the modification is such that the base contract's listed subcontractors are performing the modification and this particular scope does not accommodate MBEs. It does fall into the craft profile of the WBE subcontractors.

The participation levels may fluctuate modification by modification, while we maintain or exceed the base contract's original commitments overall.

Item No. 7 was moved by Commissioner Mazzola and seconded by Commissioner Ito. Item No 7 was approved unanimously.

7. Modification No. 3 to Contract No. 5700A - AirTrain Guideway, East Loop Tutor-Saliba Corporation - $1,472,967

No. 00-0403

Resolution approving Modification No. 3 to Contract 5700A, AirTrain Guideway, East Loop, with Tutor-Saliba Corporation, in the amount of $1,472,967, for initiated changes, AirTrain Operating System requirements, unforeseen site conditions and design changes to facilitate construction. The funding sources are Program Reserve and budget transfer from the AirTrain Operating System Project.

Mr. Kardos explained that this proposed modification provides for changes associated with the AirTrain Guideway construction in the area of the North Terminal. The changes were necessary to accommodate on-going terminal operations, to respond to unforeseen site conditions and to implement design changes to facilitate construction.

The modification has been reviewed and approved by the Master Plan Advisory Board and the costs were included in our quarterly forecast. Funding will be provided by a transfer from program reserves.

The nature of the work covered by this modification accommodates 2.1% MBE and 0.7% WBE participation. The cumulative totals for the overall contract are at the 9.5% MBE and 8.3% WBE participation levels, slightly lower than the base contract's 10.8% and 9.4% respective commitment which remain in force for the ultimate contract performance.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 8 was approved unanimously.

8. Modification No. 9 to Contract No. 5515.3 - Security and Special Systems Holmes & Narver - $1,830,000

No. 00-0404

Resolution authorizing Modification No. 9 to Contract 5515.3 with Holmes & Narver in the amount of $1,830,000 to provide design services associated with tenant initiated changes and start-up support for the New International Terminal. Funding will be provided by transfers from the Capital Improvement Program (CIP) Budget with no impact to the Master Plan

Baseline Budget.

Mr. Kardos explained that the proposed resolution will modify contract No. 5515.3 with Holmes & Narver to provide additional professional services covering staff support during the first months of operation of the new systems, changes requested by the airlines and Federal agencies, support services for management of the cable infrastructure, and management support for the airlines and other tenants telephone installation services.

The modification has been reviewed and approved by the Professional Services Fee Review Committee and the cost has been included in our quarterly forecast. Funding will be provided by the Airport's Capital Improvement Program budget with no impact to the Master Plan Baseline budget.

The combined MBE/WBE participation for this modification is 30%, exceeding the base contract's 21% commitment.

Item No. 9 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. Item No. 9 was approved unanimously.

9. Modification No. 5 to Contract No. 5500F - International Terminal Baggage System - BAE Automated Systems Inc. - $1,446,282

No. 00-0405 — Resolution approving Modification No. 5 to Contract 5500F, International Terminal Baggage System, with BAE Automated Systems Inc., in the amount of $1,446,282 for work related to transferred scope, airline requests, and changes to facilitate construction. Funding sources are budget transfer, contingency and Program Reserve.

Mr. Kardos explained that this modification covers changes associated with airline operations, security screening revisions and requirements by the U.S. Customs & Agriculture agencies.

The modification has been reviewed and approved by the Master Plan Advisory Board, and the cost is included in our forecast presented in the quarterly report. Funding will be provided by the contract contingency and program reserve budgets.

The combined MBE/WBE subcontractor participation through this modification will be at the 9.63% level, well in excess of the base contract's 5.28% commitment.

Item No. 10 was moved by Commissioner Crayton and seconded by

Commissioner Ito. Item No. 10 was approved unanimously.

10. Modification No. 5 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - $1,185,711

No. 00-0406 — Resolution approving Modification No. 5 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of $1,185,711 for work related to design changes to facilitate construction. Funding sources are from Current Budget and Program Reserve.

Mr. Kardos explained that this modification covers changes to the International Terminal Complex security system required by the Airport's security organizations.

The changes have been reviewed and approved by the Master Plan Advisory Board and the cost is included in our forecast presented in the quarterly report. Funding will be provided by a budget transfer from program reserves.

Within this modification the MBE/WBE participation will be at the 8% / 21% respective levels. The cumulative totals for the overall contract will reach 8% and 5% respectively, meeting and exceeding the base contract's 8% and 2% respective commitment.

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H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 11 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. Item No. 11 was approved unanimously.

11. Modification No. 2 to Contract No. 4240 - Environmental Impact Studies for the Runway Reconfiguration Program - URS Corporation - $5,000,000

No. 00-0407 — Resolution approving Modification No. 2 to Contract 4240 with URS Corporation for additional environmental studies needed for the Phase II Scope of Work for the Runway Reconfiguration Program in an amount not to exceed $5,000,000.

Ms. Peg Divine, Deputy Director, Airfield Development explained that URS has been progressing on the Phase II scope of services, however, the California Legislative, Federal Aviation Administration (FAA), Office of Environmental Review (OER), regulatory agencies, local cities and a panel of scientists convened by the National Oceanographic and Atmospheric Administration

(NOAA) have all requested that additional environmental analyses be conducted. These analyses include analyzing joint operation of San Francisco and Oakland Airports by Senate Bill, analysis of a high speed rail connection and/or ferry service between Oakland and San Francisco by Senate Bill, analysis of slot controls at SFO requested by OER, detailed air quality, hydrological and biological analyses of additional combinations of runway layouts and construction techniques by FAA and OER, and incorporating scientific peer review of the environmental technical studies has been requested by NOAA, FAA and OER.

Commissioner Ito said that with these upcoming modifications the Commission will need an update on overall budget projections. The last report was in April.

Ms. Divine responded that a report is scheduled for the next Commission meeting.

Commissioner Crayton said that she is pleased with the minority participation on this contract. She asked which of these firms are San Francisco residents.

Ms. Divine responded that these firms are all San Francisco based.

Commissioner Berman asked for the full name of the contractor.

Ms. Divine responded that it is URS Greiner Woodward Clyde. When they merged with O'Brien Kreitzberg, the name changed to URS Corporation. It is now the largest engineering firm in the country.

Commissioner Crayton asked if there were any conflicts with URS.

Mr. Martin responded that the matter has been reviewed with the City Attorney's Office and there is no conflict.

Item No. 12 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 12 was approved unanimously.

12. Award of the Advertising Program Lease - Transportation Media, Inc. - Minimum Annual Guarantee: $4,050,000

No. 00-0408 — Resolution awarding the Advertising Program Lease to Transportation Media, Inc. with an initial minimum annual guarantee of $4,050,000.

Mr. Bob Rhoades, Deputy Director, Business explained that the minimum bid for this lease was $2 million or 70% of annual gross receipts, with a term of five years with three one year options at the discretion of the Commission.

Staff received one proposal on October 27, 2000 by Transportation Media, Inc.

The proposal was evaluated by staff and determined to be responsive. The bid amount submitted was $4,050,000 for the first year. The Human Rights Commission is reviewing the final submission of the paperwork by the company.

Commissioner Crayton asked if there were M/WBE requirements.

Mr. Rhoades responded that there are no M/WBE requirements.

Commissioner Ito asked how this contract will be evaluated.

Mr. Rhoades responded that he would be happy to provide status reports. He added that all submissions this company brings to the Airport will have to go through the Design Review Committee. We have specific areas where advertising can be placed.

An update will be provided to the Commission based on how well this is received by the advertising community as well as within the Airport.

Item No. 13 was moved by Commissioner Berman and seconded by Commissioner Crayton. Item No. 13 was approved unanimously.

13. Award of the High Speed Wireless Internet Master Lease - Aerzone - $250,000

No. 00-0409

Resolution awarding the High Speed Wireless Internet Master Lease to Aerzone for a one-time Industry Founders Fee of $250,000 plus the greater of the current year minimum annual guarantee or $.25 per connection according to the following schedule:

1st year MAG	$250,000
2nd year MAG	$275,000
1st option-year MAG	$300,000
2nd option-year MAG	$325,000

Mr. Rhoades explained that the minimum proposal amount was $60,000 for the installation and maintenance of a highspeed wireless internet system. Staff received proposals on October 26, 2000 from three different providers. Those proposals were evaluated by a three member panel who recommended Aerzone as the successful proposer. Subsequently, an independent review was performed by a technical expert who verified the results of the first evaluation.

Aerzone proposed a first year minimum annual guarantee of $250,000, in addition to a one time fee of $250,000, with increasing minimum annual guarantees over the next four years.

Item No. 14 was moved by Commissioner Crayton and seconded by Commissioner Ito. Item No. 14 was approved unanimously.

14. Authorization to Conduct a Pre-Proposal Conference for Boarding Area F SFO Cyber Room - Technology Showcase Concession

No. 00-0410 — Resolution authorizing staff to conduct a pre-proposal conference for Boarding Area F - Cyber Room - Technology Showcase Concession.

Mr. Rhodes explained that we are positioned for a unique opportunity to showcase the technology currently being developed on the Peninsula. Staff proposes to put out a contract to showcase that technology. This concession would be located in Boarding Area F. Staff believes that it will generate a lot of interest.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 15 through 23 were moved by Commissioner Crayton and seconded by Commissioner Ito. The Consent Calendar was approved unanimously.

15. Modification No. 7 to Contract No. 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates - $605,000

No. 00-0411 — Resolution approving Modification No. 7 to Contract 5709.1 to provide Architectural and Engineering Services for the AirTrain Road 6 and Rental Car Center Stations with an increase to basic professional services fees in the amount of $605,000. Funding for the services will be provided from the project budget and from the Airport's Capital Improvement Program (CIP) Budget, with no impact on the Master Plan Baseline Budget.

16. Modification No. 2 to Professional Services Contract No. 4002 - Environmental Planning Services for the Runway Reconfiguration Program - Environmental Science Associates (ESA) - $400,000

No. 00-0412 — Resolution approving Modification No. 2 to Professional Services Contract No. 4002 with Environmental Science Associates (ESA) to provide additional Environmental Planning

Services for the Runway Reconfiguration Program in an amount not to exceed $400,000.

17. Official Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness

No. 00-0413 — Resolution declaring official intent to reimburse capital costs from future issuance of debt.

18. Award of Contract No. 4333 - Facilities Fire Protection Improvement - FY 2000/2001 - Value Fire Protection, Inc. - $393,515

No. 000-0414 — Resolution awarding Contract No. 4333, Facilities Fire Protection Improvement - FY 2000/2001, the only responsive, responsible bidder, Value Fire Protection, Inc., in the amount of $393,515.

Commissioner Mazzola noted that there was only one bidder, yet a rating discount was applied.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that the actual amount bid, before the discount, is the amount paid to the contractor.

19. Bid Call - Contract No. 3828 - Electrical Power Distribution Improvements - North Field

No. 00-0415 — Resolution approving the scope, budget, and schedule for Contract No. 3828, Electrical Power Distribution Improvements - North Field, and to authorize the Director to call for bids when ready.

20. Bid Call - Contract No. 4200 - North Terminal Power Distribution System Improvements

No. 00-0416 — Resolution approving the scope, budget, and schedule for Contact No. 4200, North Terminal Power Distribution System Improvements, and to authorize the Director to call for bids when ready.

21. Bid Call - Contract No. 3845 - South Terminal Fall Protection System

No. 00-0417 — Resolution approving the scope, budget, and schedule for Contract No. 3845, South Terminal Fall Protection System, and to authorize the Director to call for bids when ready.

22. Bid Call - Contract No. 3846 - East Terminal Fall Protection System

No. 00-0418 — Resolution approving the scope, budget, and schedule for Contract No. 3846, East Terminal Fall Protection System, and to authorize the Director to call for bids when ready.

23. Reimbursement to San Francisco Foreign Flag Carriers for Providing a Dedicated Airfield Bus Service for Remote Aircraft Operations - $300,000

No. 00-0419 — Resolution authorizing additional reimbursement to San Francisco Foreign Flag Carriers for providing a dedicated airfield bus operation at a not-to-exceed amount of $300,000.

* * *

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission

recessed its public meeting at 10:25 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding the settlement of an unlitigated claim of N&C International, Inc.; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 11:35 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:37 A.M.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

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December 5, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
December 5, 2000

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AIRPORT COMMISSION MEETING MINUTES

December 5, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Larry Mazzola, Vice President Hon. Michael S. Strunsky Hon. Caryl Ito
Absent:	Hon. Linda S. Crayton

* * *

C. DIRECTOR'S REPORTS:

1. Construction Methodologies for the Runway Reconfiguration Build Alternatives

Staff recommendation on Construction Methodologies for the Runway Reconfiguration Build Alternatives.

Ms. Peg Divine, Deputy Director, Airfield Operations explained that she is presenting the staff analysis and recommendation on construction methodologies for runway reconfiguration in the event that the Commission approves a build alternative. No action on these recommendations will be requested until December 19.

A 200 hundred foot overhead clearance for landings and take-offs on the existing runways must be provided while we are in construction. The depth of the Bay will present some constraints. Seismic performance needs to be addressed to insure that our runways perform in the event of an 8.3 earthquake and that we have dealt with the effect of any movement on the particular structure type. A combination of structures will present more joints.

Pile driving equipment is generally 200 feet high, so it would have to be back some distance to accommodate the height restrictions. The necessary 200 feet is out at the end of 01 runways.

The depth of the Bay ... close to the runways, depending on the tide, we have no water; at high tide we only have 3 feet. We have 15 to 20 feet of water at the ends of the runways.

Floating runways would require at least 10 feet of dredging. In order to bring in sand and precast deck sections channels to the existing runways will be needed. The construction method will dictate the amount of dredging required.

Combination structures will need a transition or connecting section to the existing and new runways that will be as rigid as the piles at the outboard end and as flexible as the new earth filled sections. This would result in three joints where one or two would normally be needed.

The Commission selected five construction and engineering firms in March to look at off-shore runway construction. Final reports were received in late July. A Blue Ribbon panel of experts reviewed the reports and other materials on the constraints. One of the reports proposed a sunken structure that would be floated in, sunk and placed on about five feet of gravel.

A pile supported structure would have the piles driven into the soil below the young Bay mud and connected to precast concrete sections.

The earthen platform would be built using wick drains to allow faster compression of soils and faster settlement.

The firm that presented a floating platform eventually withdrew its proposal because of the depth of the Bay.

The Blue Ribbon Panel and staff reviewed all of the proposed structures based on their ability to take the weight of the new large aircraft, to have a 100 year design life with minimum maintenance, to resist a low level earthquake with no damage, a high level earthquake with repairable damage, to have limited overall settlement, limited differential soil settlement, and to minimize the effects of liquefaction.

The advantage of sunken structures are that there is no overhead clearance for installation, the construction can be done in segments in many different locations around the world, and they have the least air quality emissions in the local air quality basin.

The disadvantages are that we are currently uncertain that the seismic criteria can be met. The columns in the sunken alternative are closer together than they are for the piles so the sedimentation and circulation benefits won't be to the same degree. Inspection and repair would also be a concern in terms of time, quality and cost. The construction cost is higher than filler piles, and there is a higher maintenance cost than piles or fill.

Advantages to pile supported structures include better water circulation. There is an improved environmental perception in that fish can swim between the piles, although they cannot feed or breed. Off-site prefabrication of the deck will reduce congestion and spread out the workforce.

The disadvantages include the transitions to fill sections, pile drivers are noisy, and there are higher air quality emissions than earth fill using sand fill from San

Francisco Bay. Inspection and repair after an earthquake will take longer than for earth fill runways and piles are more difficult and costly to maintain. The construction cost is higher than the earth fill method.

The advantages to earth fill runways include no additional different transition sections, the lowest air quality emissions using electric power and sand from San Francisco Bay, structure maintenance is minimal, and it is easy to inspect after an earthquake. There is also availability of labor, materials and equipment and the lowest maintenance, operations and construction costs.

Disadvantages include a larger footprint at the bottom of the Bay, a perception of more sedimentation than other concepts, continuing settlement which would require us to continue our asphalt/paving program every eight to 10 years. This would not be necessary if the pile supported structure is chosen.

Any pile supported runway proposal would require estimates for pile diameter, depth and spacing along with circulation and sedimentation studies to a greater degree than we have done. This would enable us to identify the least environmentally practical alternative.

Six alternative configurations are being studied. A no-action or no-project alternative would not require any of these construction methodologies. A No-build systems management would not require any of these construction methodologies, however, Alternatives A3, BX2, BX Refined and F2 would.

Based on all of the analysis, and in consultation with other airports, ports, and the Blue Ribbon Panel consultants previous studies, our recommendations are that we keep open the possibility of both earth fill with a rock dike, and pile supported structure for Runway 28R. More study is needed to determine the optimal pile spacing and to identify costs and benefits for the environmental.

Runways 01L and 01R need to be done with earth fill and a rock dike. BX2 on Runway 28R will need piles or earth fill. The extensions to 01R and 01L would be earth fill and a rock dike. BX Refined for new Runway 01R would be earth fill with a rock dike. For F2, Runway 01L would have to be earth fill with a rock dike if it cannot be a combination of piles and fill in order to deal with the missed approach contours and the vertical clearances required by the FAA to keep our existing runways operating during construction.

Studies will be conducted to determine whether the pile supported structures maintain better sedimentation rates than earth fill structures do. Initially, there is less change in sedimentation rates but we know that in some cases between the pile, piers and wharfs there has been up to an 8 foot accumulation over a 30 year period of time. Staff is trying to model that to get more data. Staff is also trying to get more data from the Ports of Oakland and Long Beach.

Commissioner Ito asked if the additional studies would be available for the December 19 meeting in order for the Commission to make a determination.

Ms. Divine responded that the recommendations would be the same. She

would like to carry the piles and earth fill for Runway 28R forward at least three more months.

Commissioner Ito noted that the Blue Ribbon Panel's conclusion was to use only one method per runway, yet she understood Ms. Divine to say that Alternative A3 would need a combination of pile and earth fill.

Ms. Divine responded that the recommendation is to either consider all pile or all fill for three more months while more definitive information on piles is obtained.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky complimented and congratulated Mr. Martin and the staff on the events of the past several weeks and what has been accomplished.

Commissioner Ito congratulated Mr. Nardoza, Barbara French and her team on the opening events.

Mr. Martin said that this week will be a challenge as the airlines move in over a period of days. Temporary signs have been located along the roadways identifying airline locations, press notices will make passengers aware of the changes, ambassadors are located at the doors of the new and old International Terminals, as well as inside the parking garages to confirm that passengers are heading in the right directions.

The Chronicle misstated information on signing. The first sign that passengers see upon entering Customs and Immigration is a welcome sign in 15 languages. It is a piece of artwork commissioned by the Art Commission and funded by the Airport. Pictograms, the international standard, are being used throughout the Airport. Surveys indicate that pictograms work. Signage in 10 or 15 different languages would overwhelm passengers. Pictograms have been in use on our freeways for the last five years. Alternatively, to look at a freeway sign indicating the airport in 15 different languages is not effective.

Passengers sometimes need information beyond what a pictogram can provide, so a contract was approved by the Commission for translation services in Customs. Our Information Booths provide multi-lingual staffs. The flight information displays show flight numbers, gate information and destinations in multi-lingual signs. We also have brochures in 10 different languages at the Information Booths. The airlines and retail shops hire personnel to assist in the language needs of their customers.

We will be surveying passengers in the International Terminal immediately to identify problems. Annual passenger surveys are conducted in foreign languages.

Commissioner Ito asked who conducts the surveys.

Mr. Martin responded that Polaris and volunteers handle the surveys.

Commissioner Ito asked the Director to look at the staffing level of the Protocol Office.

Mr. Martin responded that we are looking to better able accommodate the Consular Corps. We have meeting rooms and parking spaces in the courtyard for Consular Corps members to insure a higher level of service to meet their needs.

Commissioner Ito commented on the retail survey and the comments and criticisms by foreign passengers.

Mr. Martin responded that it reflects the investments. Knowing that the new International Terminal was open, retailers didn't put new money into their facilities. They became small relative to the demands and needs of the passengers.

Commissioner Ito thought the retailers missed an opportunity this week.

Mr. Rhoades commented that some of the retailers were open ... the Golf Shop, two newsstands, The Discovery Channel ... the largest operator, DFS, wasn't ready. They lacked staffing levels and they weren't fully merchandised. They were also still operating a major retail store in the existing International Terminal. Although we encouraged them to open, it was their choice. The restaurateurs fully benefitted from the event on Sunday. They will all be open on December 10.

Commissioner Ito said that the restrauteurs provided great service this weekend. Their attitude and spirit was remarkable.

Commissioner Strunsky hoped that the redesign program in the old International Terminal will encompass facilities that are on a par with the new International Terminal.

Mr. Martin responded that we have set a new standard for the industry and for ourselves.

* * *

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Construction Management Services for Master Plan Program in 2001

No. 00-0420 thru No. 00-0430	Resolution approving Modifications eleven existing Construction Management Consultants' contracts to continue services for 2001, in the amount of $19,540,000. Funding will come from the Master Plan Baseline Budget, the Airport's contribution to the BART-SFO Extension and the Airport's Capital Improvement Program Budget. There is no impact on the Master Plan Baseline Budget.

No. 00-0	Mod. No.	Contractor	Amount

No. 00-0	Mod. No. 9	SFO Assoc. (Parsons/AGS/EPC Consult/Business Development)	$ 4,000,000
No. 00-0	Mod. No. 9	Lehrer McGovern Bovis/F.E. Jordan Assoc./Cabellon Assoc.	$ 910,000
No. 00-0	Mod. No. 8	Morse Diesel/Arcost/CPM/ Cornerstone Concilium/Lee-Trenchard	$ 300,000
No. 00-0	Mod. No. 6	PGH Wong Engineering and Luster Construction Management	$ 5,280,000
No. 00-0	Mod. No. 6	Turner Construction/The Allen Group/ CPM Services	$ 1,150,000
No. 00-0	Mod. No. 6	Holmes & Narver (with Arcost/CPM Group/F.E. Jordan Assoc.)	$ 340,000
No. 00-0	Mod. No. 7	DMJM Aviation/Cabellon Assoc./ Mendoza Assoc.	$ 3,200,000
No. 00-0	Mod. No. 6	Brown & Caldwell/Beyaz & Patel	$ 630,000
No. 00-0	Mod. No. 8	Luster/GKO, A Joint Venture	$ 3,000,000
No. 00-0	Mod. No. 4	O'Brien-Kreitzberg, Inc.	$ 380,000
No. 00-0	Mod. No. 5	Don Todd Assoc./EPC Consultants/ The Allen Group	$ 350,000
			$19,540,000

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is the annual reauthorization of Construction Management services for the Airport expansion program's management team consisting of Airport staff and professionals from outside construction management firms.

The base contracts for construction management services were awarded by the Commission in May 1995, and they have been funded on an annual basis. To maintain the level of resources needed for the coming year we recommend the modification of eleven existing contracts in the aggregate amount of $19,540,000. This compares with $45,900,000 for 1999, the peak period in the program's implementation, and $36,990,000 for 2000.

Funding for the proposed modifications will be provided by the Master Plan Baseline Budget for construction management services, the Airport's $200,000,000 contribution to the BART/SFO extension, the Capital Improvement Program budget and the Operating Budget.

The proposed funding for 2001 as well as the forecast at completion is within the baseline budget and has been reported to the Commission in our quarterly reports. The overall MBE/WBE participation at the prime level for the 11 contracts is approximately 52%. All consultant teams meet or exceed the City's original goals of 17% MBE and 3% WBE for MBE/WBE subconsultant participation.

Commissioner Ito asked for a run down of the M/WBE breakdowns.

Mr. Kardos responded that he would provide Commissioner Ito with the information. There are two levels of participation. The construction management teams have a serious M/WBE participation at the prime level. There is an additional subcontracting level.

Commissioner Ito noted Item No. 9 under the Luster Group and thought that we had approved $9.5 million to increase the budget to accommodate some of these expenditures. She asked Airfield Development for a budget but has not yet received one. She is uncomfortable with everything going under the Master Plan. The Commission is making these approvals to try to make the transition work for everyone.

Mr. Kardos responded that the tracking of costs within these individual contracts is very discretely done so that the charges are separated between the Master Plan and the Capital Improvement Plan under which the Airfield Development efforts are currently funded. There is no additional expenditure included in this proposal outside of what the Commission already approved under the Airfield Development budget itself.

Ms. Divine said that they had hoped to have their Cost and Schedule Control consultant in place by now, but the Commission was asked to reject all bids. Proposals should be received this week and the interviews are coming up, however, it takes about six months from that time to get a contract with the City.

Commissioner Strunsky asked by how much we underran these contracts.

Mr. Kardos responded that the construction management budget is underruning by millions of dollars.

Commissioner Strunsky asked if that underrun is fed back into the last quarterly report or will be it done in the next quarterly report?

Mr. Kardos responded that it will be fed back into the next one.

Item No. 3 was moved by Commissioner Berman and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Modification No. 28 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture - $11,802,308

No. 00-0431 — Resolution approving Modification No. 28 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corp/Perini Corp/ Buckley & Company, Inc., A J.V., in the amount of $11,802,308, for work related to transferred scope and changes to facilitate construction. Funding sources are budget transfer and Program Reserve.

Mr. Kardos explained that the changes included in this modification represent the final closeout settlement for the listed subcontractors of the Tutor Saliba/Perini/Buckley Joint Venture, with the exception of amounts indicated for Honeywell, Amelco, Harmon, Montgomery Kone, Heathorn, Scott-Norman and Besam Automated Entrance Systems, which represent a partial closeout of

items still in negotiation. The cost of these changes has been carried in our forecast for a considerable time. The proposed Commission action formalizes the forecasted changes by incorporating them into a contract modification.

The modification itself has been reviewed and approved by the Master Plan Technical Advisory Board. Funding sources are budget transfers from other projects, from the Airport's contribution to the BART/SFO extension, and from program reserve.

He MBE/WBE subcontractor participation in the contract through this modification will be at the 18% MBE and 5.6% WBE participation levels, well in excess of the base contract's 10.3% combined goal.

Commissioner Strunsky noted that the Tutor-Saliba Joint Venture was included in the final settlement. He assumed that a final settlement is a final settlement.

Mr. Kardos responded that this is not a close-out for Tutor-Saliba. The close-outs are for the listed subcontractors.

Commissioner Strunsky did not understand why the $377,000 shouldn't be part of their final settlement. He hoped that after today anything that comes to the Commission is a full and final settlement.

Mr. Kardos said that we have to resist media pressure and not allow ourselves to be placed in a premature settlement. It has to be done prudently and sequentially. A final close-out for a $500 million contract takes more than just a single stroke.

Commissioner Strunsky agreed but noted that we have had a lot of time to do this. The project is substantially finished and they should be coming to an end.

Mr. Kardos responded that these are clean up items, not new scope items.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Modification No. 6 to Contract No. 5511A - Boarding Area A, Aircraft Apron Ghilotti Brothers Construction, Inc. - $2,968,486.22

No. 00-0432 — Resolution approving Modification No. 6 to Contract 5511A, Boarding Area A, Aircraft Apron, to provide construction services to complete site improvements at the North Cargo Facility. Funding will be provided by a budget transfer from Program Reserves from the Master Plan's program-wide Hazardous Material / Demolition budget and from the Airport's Capital Improvement Program budget.

Mr. Kardos explained that the proposed modification covers apron construction and utility work in the North Cargo area. It includes subgrade removal and replacement as well as disposal of contaminated material.

The cost of the modification has been included in our quarterly forecast. Funding is provided by budget transfers from the Master Plan's program wide hazardous material and demolition budget, from the Airport's Capital Improvement Program budget, and from Program Reserve.

The MBE/WBE subcontractor participation through this modification will be at 21% MBE and 8.9% WBE participation levels, below the base contract's 25.8% and 11% respective commitments, but still in excess of the 10% MBE and 6% WBE participation goals established for the contract.

Commissioner Strunsky noted that this garage was finished some time ago and asked if we are done.

Mr. Kardos responded that we are done.

Commissioner Strunsky asked if this was the full and final.

Mr. Kardos responded that it is not. The next one will be the full and final. This is the clean-up of some of the changes associated with the pile driving. They were in contention for some time.

Item No. 5 was moved by Commissioner Mazzola and seconded by Commissioner Ito. Item No. 5 was approved by a 3-1 vote with Commissioner Strunsky casting the dissenting vote.

5. Modification No. 3 to Contract No. 5600C - South International Parking Garage Tutor-Saliba Corporation - $1,018,228

No. 00-0433 — Resolution approving Modification No. 3 to Contract 5600C, South International Parking Garage, with Tutor-Saliba Corporation, in the amount of $1,018,228 for additional work related to project interfaces, added scope, unforeseen site conditions and design changes to facilitate construction. The funding sources are Program Reserve and budget transfers from other projects.

Mr. Kardos explained that the proposed modification provides for the final negotiation of changes requested by the Airport's airside operations, unforeseen site conditions and various design changes to facilitate construction. The modification has been reviewed and approved by the Master Plan Advisory Board with funding being provided by budget transfers from other projects and from program reserve. The cost has been included in our quarterly forecast.

The MBE/WE subcontractor participation through this modification will be at the

22.89% and 1.15% respective levels, slightly below the base contract's 24% MBE and 1.2% WBE participation commitments. The base contract's goals remain unchanged for the ultimate MBE/WBE participation at the conclusion of the contract.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

6. Modification No. 1 to Contract No. 5530E - Taxiways A & B Realignment, East Phase - Pavex Construction/JMB Construction, A Joint Venture - $2,800,000

No. 00-0434 — Resolution approving Modification No. 1 to Contract 5530E, Taxiways A & B Realignment, East Phase with Pavex Construction/JMB Construction, A Joint Venture, in an amount not to exceed $2,800,000.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that this is the first and last modification for this contract. Contaminated soil was discovered during the course of work. We will try to recover the costs from whoever caused the contamination. There were also problems with sub base failures where the taxiway was reconstructed. Those areas were dug out and replaced with full depth asphalt rather than the cheaper method in order to get in and out of the area as quickly as possible.

A high stability mix was placed in the transition area between the concrete apron and the asphalt taxiway so that when planes make their turns into the taxi area they won't tear up the asphalt.

The MBE participation goal was 19% and will go up to about 28%. The WBE participation goal was 7% but will drop slightly to 6.25% because of the type of work that was included in the modification.

Item No. 7, 8 and 9 were called together. The items were moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Approval of Telecommunications Service Fees

No. 00-0435 — Resolution establishing the fee schedule for use of Integrated Services Digital Network and Asymmetrical Digital subscriber line service.

Mr. Marcus Perro, Deputy Director, Finance explained that over year ago the Commission established a Telecommunications Infrastructure Policy for the development of a new telecommunications system at the Airport. This is unique

in that no other airport is providing such comprehensive telecommunications services. The policy also directed staff to develop cost recovery fees for each of the telecommunications services provided.

In December 1999 the Commission approved the establishment of fees to recover the telecommunications infrastructure cabling system. In June 2000 the Commission established fees to recover the cost of the common use telephone systems, the use of the multi-user system equipment terminals in tenant areas, and the use of cable television systems in tenant areas.

These three proposed rate packages would complete the plan to charge tenants their allocatable costs.

With the Commission's approval of these rate packages we will generate an additional $675,000 annually. All together the telecommunications rate packages amount to approximately $3 million. This represents about 66% of the total annual costs of the telecommunications systems.

Cost allocation figures and rate packages will be updated as appropriate and brought back to the Commission for approval as part of the annual Rates and Charges package.

Commissioner Strunsky asked if these figures have been bounced off of the market outside of the Airport. These seem to be good prices.

Mr. Perro responded that the rates were designed to compare favorably with the market and were also designed in some cases to provide full cost recovery for those services. The tenants are enjoying a more economical rate by using the Airport's telecommunication system.

Commissioner Strunsky suggested that when we look at this again we should look at what the market is bearing so that we can achieve better results.

8. Approval of Gigabit Ethernet Network Fees

No. 00-0436 — Resolution establishing the fee schedule for use of the Gigabit Ethernet Network.

9. Approval of Infrastructure Connectivity and Cable Television Transport Fees

No. 00-0437 — Resolution establishing the fee schedule for Infrastructure Connectivity and Cable Television Transport Services.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 15 were moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve the Consent Calendar was unanimous.

10. Modification No. 4 to Contract No. 5706 - AirTrain Domestic Terminal Stations Professional Services Agreement - Kwan Henmi Architecture and Planning - $180,000

No. 00-0438 — Resolution approving Modification No. 4 to Contract 5706 to the AirTrain Domestic Terminal Stations Professional Services Agreement with Kwan Henmi Architecture and Planning to provide full architectural and engineering services for additional scope of work items in the amount of $180,000. Funds are available in the existing project budget with no impact to the Master Plan Baseline Budget.

11. Modification No. 2 to Professional Legal Services Agreement - Law Firm of Sheppard, Mullin, Richter & Hampton - $200,000

No. 00-0439 — Resolution approving Modification No. 2 to Professional Legal Services Agreement with Sheppard, Mullin, Richter & Hampton to increase compensation by the amount of $200,000.00; all other terms and conditions of the contract to remain in full force and effect.

12. Modification No. 3 of United's MOC Lease No. 73-0066

No. 00-0440 — Resolution approving Modification No. 3 of United's Maintenance Operation Center (MOC) Lease No. 73-0066 under which United relinquishes to Airport approximately 0.74 acres for common driveway access, incorporated adjacent permitted premises for vehicles exiting and provides for additional surface parking area into the Lease, the actual size and configuration of such additional are to be determined at completion of the Multi-Modal Center and AirTrain Extension Project.

13. Authorization to Issue a Request for Proposals for Information Booth Contract

No. 00-0441 — Resolution authorizing a request for proposals for a contractor to operate the Information Booth program.

14. Request for Proposals - Replacement of the Aircraft Noise Management System

No. 00-0442 — Resolution authorizing the issuance of an RFP soliciting proposals to provide an aircraft noise management system to replace the current system which is 20 years old.

15. Sublease with Northwest Airlines for Two Cellular Sites on Plot 9A

No. 00-0443 — Resolution authorizing Cellular One and Pac Bell with existing cell equipment in Northwest Cargo Building.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 10:09 A.M. and began the closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:46 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed

session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:49 A.M.

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION

MINUTES

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December 19, 2000

9:00 A.M.

ROOM 400 - CITY HALL
400 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

COMMISSIONERS

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
December 19, 2000

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		3
C.		ITEMS INITIATED BY COMMISSIONERS:		
		Opening of the New International Terminal		3
D.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Modification No. 6 to Contract No. 5521A - Boarding Area G Apron Construction Pavex Construction, A Division of Granite Rock Co.	00-0444	4
	2.	Modification No. 11 to Contract 5515C - Security and Special Systems - Terminal Systems - SASCO Electric	00-0445	5
	3.	Modification No. 9 to Contract 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation	00-0446	5
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Approve Construction Methodologies for Build Alternatives for Proposed Runway Reconfiguration Project	00-0447	5
	5.	Modification No. 1 to Contract 7013.3 - Mitigation Site Planning and Assessment Services - Jones & Stokes Associates Inc.	00-0448	6
	6.	Authorization to Issue a Request for Qualifications and Proposals for Runway Structures/Earth Fill Engineering for the Runway Reconfiguration Project		6
	7.	Approval of Pacific Gateway Partnership Contract Modification No. 2 for the New International Terminal Food and Beverage Program	00-0449	6
	8.	Authorization to Award the Boarding Area F Cosmetic and Toiletries Lease Buth-Na-Bodhaige, Inc. dba The Body Shop	00-0450	6-7

	9.	Award of Boarding Area F Discretionary Store Lease - U Threads, Inc.	00-0451	7
	10.	Approve Specified Performance Standards for the Curbside Management Program Retroactive to November 15, 2000	00-0452	7
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	11.	Modification No. 7 to Contract 5520 - Boarding Area G Professional Services - Hellmuth, Obata & Kassabaum	00-0453	7-8
	12.	Amendment No. 1 Inbound/Outbound Ramps Project No. 5905 to the Airport/Caltrans Construction Cooperative Agreement	00-0454	8
	13.	Airport/Caltrans Replacement Maintenance Cooperative Agreement Inbound/Outbound Ramps Project No. 5905	00-0455	8
	14.	Modification No. 18 to Legal Services Agreement - Law Firm of Morrison & Foerster	00-0456	8
	15.	Professional Services Agreement with LSA Associates, Inc. - $250,000	00-0457	8
	16.	Modification No. 2 to the Professional Services Contract - Harris Miller Miller & Hanson Inc.	00-0458	8-9
	17.	Bid Call - Contract 3569 - Taxiway C Improvements	00-0459	9
	18.	Bid Call - Contract 4486 - On-Call Environmental Remediation, Phase IV	00-0460	9
	19.	Bid Call - Contract 3577B - Sanitary Sewage and Storm Drainage Systems (SCADA) Installation	00-0461	9
	20.	Authorization to Conduct a Pre-Bid Conference for Operating the Self-Service Luggage Cart System at SFO	00-0462	9
	21.	Approve a Personal Services Contract with Turbo Data Systems, Inc.	00-0463	9

	22.	Lease of Plot 6 to United Airlines, Inc.	00-0464	10
	23.	Reimbursement to SFFFC for Providing Security Guard Services to the Airport	00-0465	10
G.		NEW BUSINESS:		
		Community Open House		10
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I.		CLOSED SESSION:		
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AIRPORT COMMISSION MEETING MINUTES

December 19, 2000

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Michael S. Strunsky Hon. Linda S. Crayton Hon. Caryl Ito
Absent:	Hon. Larry Mazzola, Vice President

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton commended the Director and his staff for the wonderful job they did on the opening of the new International Terminal.

Commissioner Ito agreed with Commissioner Crayton.

* * *

D. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Modification No. 6 to Contract No. 5521A - Boarding Area G Apron Construction Pavex Construction, A Division of Granite Rock Company - $8,466,000

No. 00-0444	Resolution approving Modification No. 6 to Contract 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Co., in the amount of $8,466,000 for work related to International Terminal Building design revisions, tenant infrastructure and Master Plan activation requirements. The funding sources are the Capital Improvement Program budget. Tenant Utilities and Infrastructure budget, and Program Reserves.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Modification No. 11 to Contract No. 5515C - Security and Special Systems - Terminal Systems - SASCO Electric - $2,662,084

No. 00-0445 — Resolution approving Modification No. 11 to Contract 5515C, Security and Special Systems - Terminal Systems, with SASCO Electric, in the amount of $2,662,084 for work related to design changes to facilitate construction. Funding sources are transfers from the Capital Improvement Program and from the Contract's Contingency budget.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Modification No. 9 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - $1,693,000

No. 00-0456 — Resolution approving Modification No. 9 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation in the amount of $1,693,000 for work related to design changes to facilitate construction. Funding sources are transfers from the Capital Improvement Program and the Contract's Contingency budget.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky as amended. The vote to approve was unanimous.

4. Approval of Construction Methodologies for Build Alternatives for Proposed Runway Reconfiguration Project

No. 00-0457 — Resolution approving Construction Methodologies for Build Alternatives to be Carried Forward into Preliminary Engineering as part of the Environmental Impact Studies and Permit Studies, for the Runway Reconfiguration Project.

A statement from Mr. Paul Whitworth, L.B. Foster Company regarding this item is attached.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. Modification No. 1 to Contract No. 7013.3 - Mitigation Site Planning and Assessment Services - Jones & Stokes Associates Inc. - $3,350,000

No. 00-0458 — Resolution approving Modification No. 1 to Contract 7013.3 with Jones & Stokes Associates Inc. for Mitigation Site Planning and Assessment Services for the Runway Reconfiguration Program in an amount no to exceed $3,350,000.

Item No. 6 was removed from the calendar.

6. Authorization to Issue a Request for Qualifications and Proposals for Runway Structures/Earth Fill Engineering for the Runway Reconfiguration Project - $25,000,000

Resolution authorizing to issue a request for qualifications and proposals for Runway Structures/Earth Fill Engineering for the Runway Reconfiguration Project. Estimated amount for Phase I (Preliminary Engineering for Environmental and Permits) not to exceed $25,000,000 in total.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

7. Approval of Pacific Gateway Partnership Contract Modification No. 2 for the New International Terminal Food and Beverage Program - $968,000

No. 00-0449 — Resolution approving Pacific Gateway Partnership's Contract Modification No. 2 in the amount of $968,000.

Mr. Michael Levine, President of the SFO Restaurant Association for the New International Terminal, spoke in favor the modification to Pacific Gateway Partnership's contract.

Ms. Leslie Abbott, representing Local 21, Professional and Technical Engineers, spoke against this item.

Item No. 8 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Authorization to Award the Boarding Area F Cosmetic and Toiletries Lease

Buth-Na-Bodhaige, Inc. dba The Body Shop - Minimum Annual Guarantee: $275,001

No. 00-0450 — Resolution awarding the Boarding Area F Cosmetic and Toiletries Lease to The Body Shop with a minimum annual guarantee of $275,001 for the first year.

Item No. 9 was moved by Commissioner Strunsky seconded by Commissioner Crayton. The vote to approve was unanimous.

9. Award of the Boarding Area F Discretionary Store Lease - U Threads, Inc. - Minimum Annual Guarantee: $60,000

No. 00-0451 — Resolution awarding the Boarding Area F Discretionary Store Lease to U Threads, Inc. with a first year Minimum Annual Guarantee of $60,000.

Item No. 10 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

10. Approval of Specified Performance Standards for the Curbside Management Program Retroactive to November 15, 2000

No. 00-0452 — Resolution authorizing an approval of Specified Performance Standards as a Condition of Renewal for ShuttlePort/DAJA SFO Joint Venture to operate the Curbside Management Program for the first of four annual renewal options retroactive to November 15, 2000.

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 11 to 23 were moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

11. Modification No. 7 to Contract No. 5520 - Boarding Area G Professional Services - Hellmuth, Obata & Kassabaum - $307,300

No. 00-0453 — Resolution approving Modification No. 7 of Professional Services Agreement, Contract No. 5520, Boarding Area G Professional Services with Hellmuth, Obata & Kassabaum in the amount of $307,300 for tenant utilities and infrastructure design services, tenant mechanical/ electrical design coordination and design services

for Protocol Office and US Customs Facilities. Funding will come from Tenant Utilities and Infrastructure Budget, Capital Improvement Program Budget and Program Reserves.

12. Amendment No. 1 Inbound/Outbound Ramps Project No. 5905 to the Airport/Caltrans Construction Cooperative Agreement

No. 00-0454 — Resolution authorizing execution of Amendment No. 1 to the Construction Cooperative Agreement between the Airport and Caltrans as it relates to the SFIA Inbound/Outbound Ramps Project.

13. Airport/Caltrans Replacement Maintenance Cooperative Agreement Inbound/Outbound Ramps Project No. 5905

No. 00-0455 — Resolution authorizing execution of a replacement Maintenance Cooperative Agreement between the Airport and Caltrans as it relates to the SFIA Inbound/Outbound Ramps Project.

14. Modification No. 18 to Legal Services Agreement - Law Firm of Morrison & Foerster - $500,000

No. 00-0456 — Resolution approving Modification No. 18 to Legal Services Agreement with Law Firm of Morrison & Foerster, LLP relating to the Airline Lease/Master Plan contract to increase compensation in the amount of $500,000; all other terms and conditions to remain in full force and effect.

15. Professional Services Agreement with LSA Associates, Inc. - $250,000

No. 00-0457 — Resolution approving Professional Services Agreement in the amount of $250,000 with LSA Associates, Inc. to provide environmental consulting services to comply with resource agency permit conditions for Airport projects.

16. Modification No. 2 to the Professional Services Contract - Harris Miller Miller & Hanson Inc. - $100,000

No. 00-0458 — Resolution authorizing Modification No. 2 to the

Professional Services Contract with Harris Miller Miller & Hanson Inc. to increase the contract amount by $100,000 for a new total contract amount of $650,000.

17. Bid Call - Contract No. 3569 - Taxiway C Improvements

No. 00-0459 — Resolution approving the scope, budget, and schedule for Contract No. 3569, Taxiway C Improvements, and to authorize the Director to call for bids when ready.

18. Bid Call - Contract No. 4486 - On-Call Environmental Remediation, Phase IV

No. 00-0460 — Resolution approving the scope, budget, and schedule for Contract No. 4486, On-Call Environmental Remediation, Phase IV, and to authorize the Director to call for bids when ready.

19. Bid Call - Contract No. 3577B - Sanitary Sewage and Storm Drainage Systems (SCADA) Installation

No. 00-0461 — Resolution approving the scope, budget, and schedule for Contract 3577B, Sanitary Sewage and Storm Drainage Systems (SCADA) Installation, and authorizing the Director to call for bids when ready.

20. Authorization to Conduct a Pre-Bid Conference for Operating the Self-Service Luggage Cart System at San Francisco International Airport

No. 00-0462 — Resolution authorizing staff to conduct a pre-bid conference for operating the self-service luggage cart system at San Francisco International Airport.

21. Approval of a Personal Services Contract with Turbo Data Systems, Inc. - $75,000

No. 00-0463 — Resolution approving a Personal Services Contract with Turbo Data Systems, Inc. for the processing of parking citations for the period of January 1, 2001 through June 30, 2002, in an amount not to exceed $75,000.

22. Lease of Plot 6 to United Airlines, Inc.

No. 00-0464 — Resolution approving the Lease of 16.04 acres, commonly known as Plot 6, together with existing City owned buildings and structures to United Airlines, Inc. ("United") for initial rent of $1,584,655.76 per year.

23. Reimbursement to SFFFC for Providing Security Guard Services to the Airport

No. 00-0465 — Resolution authorizing a reimbursement to SFFFC in the amount of $500,000 increasing the total reimbursement from $1,710,400 to $2,210,400 for providing security guard services to the airport.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Barry Taranto, United Taxicab Workers, thanked the Commission for the Open House in the new International Terminal.

Mr. Taranto expressed concerns about AMPCO. He thanked the Commission for postponing the increase in taxi fees, be noted that they would on in January. He hoped there could be further discussion about this.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding the settlement of a litigated claim entitled Alamo Rent-A-Car, LLC et al v City and County of San Francisco Superior Court Case No. 312-192 and Government Code Section 54956.9(b)(1) to

confer with legal counsel regarding potential litigation.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 10:40 A.M. and began the closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:51 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:53 A.M.

Jean Caramatti
Commission Secretary

STATEMENT TO SAN FRANCISCO AIRPORT COMMISSION
Meeting at San Francisco City Hall
Tuesday, December 19

My name is Paul Whitworth. I am a third generation Californian. I have lived in the Bay Area for over ten years

I am the Western Region Sales Manager with L. B. Foster Company. L.B. Foster and TXI Chaparral Steel have been involved with the San Francisco Airport Runway Expansion Project in conjunction with the engineering firm of PN&D, for over a year.

I am speaking today on behalf of L.B. Foster and TXI Chaparral Steel, and as a concerned member of the Bay Area Community.

- The Open Cell Concept that PN&D prepared for the expansion project uses interlocking sheet piling that is supplied by L.B. Foster and manufactured by TXI Chaparral Steel at their facility in Midlothian, Texas.

The Open Cell Design has been used for over 20 years on more than 100 projects. The majority of the projects have been in Alaska where the frequency and severity of earthquakes are much greater than in California.

Because of the outstanding track record for this fill-contained design and product, we were shocked and surprised when the Blue Ribbon Panel expressed concerns for how the Open Cell would perform in seismic events and how the anticipated settling of the fill would affect the Open Cell. The BRP went on to say that they would not recommend this concept because of these two concerns.

The Open Cell is the most environmentally friendly fill containment design that was submitted for consideration. It disturbs about 154 acres less bay floor than the rock dike system that is receiving favorable consideration.

The sheet piling system we propose is produced from 100% recycled steel.

This project will use the equivalent of 450,000 scrap cars; cars that typically were manufactured before the air pollution controls for automobiles were put in place.

1837 Whipple Road • Hayward, CA 94544
Phone: 510.489.7000 • Fax: 510.489.7944

We also estimate that the bay barge traffic will be less with the sheet piling versus rock dike. The rock for the dike will be imported from British Columbia so the barge/tug time and miles will be greater.

We also feel that the construction time will be less with the Open Cell than any other proposal, since the filling can be started much quicker by creating cells, which can start to receive the fill material, before the entire closure is completed.

PN&D designed Open Cells to meet the specifications that were set out by the Airport Board. The PN&D concept is designed to withstand an 8.0 earthquake. The Open Cell System is designed to meet the project life of 100 years. The Open Cells were designed to meet the construction timetable and the 90-day repair schedule in the event of a seismic event anticipated.

We have asked the Blue Ribbon Panel to give us the engineering data that caused their concerns about the Open Cell Concept. I would think that on a project of this magnitude the Panel would accept or reject these concepts based only on scientific/engineering evidence. We have yet to receive a response to this request.

Making statements about the soundness of our product without data to back it up can prove to be very damaging to the future demand for this product in this application.

L. B. Foster and TXI Chaparral Steel do not take the Blue Ribbon Panel rejection lightly. That is the reason we ask to be included in the proposed testing of the concepts that are being considered. These tests will either confirm or rebut the Panel's concerns about the Open Cell Concept.

Thank you for the time you have given me to address this very important issue.

Sincerely

Paul Whitworth
L. B. Foster Company
1837 Whipple Road
Hayward, Ca. 94544